



Customs and Excise Department

Departmental Review 2009

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New Customs Headquarters Building –
Scheduled for commission by the end of 2010

Foreword

Hong Kong Customs is one of the major law enforcement agencies in Hong Kong with the diverse responsibilities ranging from anti-smuggling, protection and collection of revenue on dutiable commodities, detection and deterrence of narcotics trafficking and drug abuse, safeguarding intellectual property rights and consumer interests, customs clearance of travelers and goods, implementation of CEPA, and the protection and facilitation of legitimate trade to uphold Hong Kong's trading integrity. In 2009 Hong Kong Customs has achieved a marvelous record in combating drug trafficking. 200 kilograms of ketamine with retail value of HK\$23 million was detected in July at the Hong Kong International Airport. Another significant cross-boundary trafficking case was detected at Man Kam To Control Point in September in which 139 kilograms of ketamine with retail value of HK\$16 million was seized. Being the Department responsible for protecting Hong Kong against smuggling of contraband and prohibited articles, the Hong Kong Customs continues to fight against illicit trade of cigarettes, preventing the smuggling of food products of dubious sources, and combating smuggling of endangered species and cross-border movement of environmentally hazardous goods.

Protection of intellectual property rights has always been accorded a high priority to encourage investment in new technology, promote innovation, and to cherish Hong Kong's reputation of "shopping paradise" for genuine goods. To this end, the Hong Kong Customs has spared no efforts in combating all kinds of piracy activities. Equipped with an amendment provision in the Copyright Ordinance, which extends the criminal liability to company directors or partners in cases of "possession of an infringing copy of copyright work", the Department has detected a total of 55 such cases and arrested 102 persons (including 43 company directors) since the provision came into force on 11 July 2008. Moreover, the Copyright (Amendment) Bill 2009, which sets out the numeric threshold for the application of the offences of business end-user copying and distribution copy of a copyright work without a valid licence for trade or business purpose and on a regular or frequent basis, was passed by the Legislative Council on 18 November 2009. Apart from sticks, the Department also deploys carrots to promote public awareness of the importance of intellectual property rights protection, such as the "Youth Ambassador against Internet Piracy Scheme", e-Christmas card design competition, visits to television and comic and animation production studios, and "train-the-trainer workshops".

To facilitate developing Hong Kong into a regional wine trading and distribution centre, a Customs-Wine Industry Alliance was formed with 18 organizations of the local wine industry in October 2008. This provides a platform for communication and collaboration with the wine industry and to step up the combat against offences involving counterfeit wine and false information on place of origin.

Consumer protection is also one of the main charters of the Hong Kong Customs. A large-scale publicity campaign “Sell with integrity – Buy with confidence” was launched in early 2009 to raise the public awareness of consumer rights and to remind retailers of their legal obligations. The Department also joins force with the Consumer Council, the Travel Industry Council of Hong Kong, Hong Kong Tourism Board and other stakeholders to better protect consumers, and hold a series of seminars and briefings for traders in various retail industries to ensure compliance of the law.

The Hong Kong Customs has constantly evolved and expanded in depth and breadth to keep pace with the rapid development in local and global societies. The complexity and diversity of enforcement work, considerable growth in passenger and cargo traffic, together with the increase in public expectation in Hong Kong will undoubtedly pose great challenges to Customs staff. In 2009, the Department continued to intensify its management effectiveness through enhancing its human resources management regime, benchmarking with international and local best practices and implementing the Customs Professionalization initiative.

The Hong Kong Customs and Excise Department turns the century corner in 2009. The past one hundred years have seen remarkable changes on the Department. I should say the Hong Kong Customs has not immersed itself in the achievements in the present and the past, and risks losing the future. The Preventive Service, which was the predecessor of the Hong Kong Customs, was established on 17 September 1909, was a small unit of the then Imports and Exports Department comprising 5 European officers and 20 Chinese searchers. The Hong Kong Customs has progressed a long way since then, coupled with the phenomenal economic take-off and social development in Hong Kong. Today the Customs and Excise Department, with a staff establishment of around 5,500, is widely regarded as one of the most efficient and effective Customs administrations in the world. The Hong Kong Customs will continue to make contributions to the development and prosperity of Hong Kong in the years to come. In the future we will look back and say: It was 2009 the Hong Kong Customs turned a new page.



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1. Our Vision, Mission and Values

Our Vision

We are a progressive and forward-looking Customs organization which contributes to the stability and prosperity of the community. We act with confidence, serve with courtesy and strive for excellence.

Mission

- To protect the Hong Kong Special Administrative Region (HKSAR) against smuggling.
- To protect and collect revenue on dutiable goods.
- To detect and deter narcotics trafficking and abuse of narcotic drugs.
- To protect intellectual property rights.
- To protect consumer interests.
- To protect and facilitate legitimate trade and industry and to uphold Hong Kong's trading integrity.
- To fulfil international obligations.

Values

- Professionalism and Respect.
- Lawfulness and Justice.
- Accountability and Integrity.
- Foresight and Innovation.



2. Organization of the Department

The Commissioner of Customs and Excise is the head of the Customs and Excise Department. He is assisted by the Deputy Commissioner. The Department comprises five branches, each under a directorate officer. The five branches are:

- Administration and Human Resource Development Branch;
- Boundary and Ports Branch;
- Excise and Strategic Support Branch;
- Intelligence and Investigation Branch; and
- Trade Controls Branch.

The Administration and Human Resource Development Branch, headed by Assistant Commissioner (Administration and Human Resource Development), is responsible for departmental administration, financial management, human resource management, central support, training and recruitment, formulation of new legislation and review of procedures, orders and systems with Customs and Excise (C&E) Service-wide implications, prosecution of C&E Service cases, and investigation of public complaints. These services are provided through the Office of Departmental Administration, the Office of Financial Administration, the Office of Service Administration, the Office of Training and Development, the Office of Prosecution and Management Support and the Complaints Investigation Group.

The Boundary and Ports Branch, headed by Assistant Commissioner (Boundary and Ports), is responsible for matters in relation to Customs control and facilitation functions at all control points. The major operation units include the Airport Command, the Land Boundary Command, the Rail and Ferry Command, the Ports and Maritime Command and the Special Duties Team.

The Excise and Strategic Support Branch, headed by Assistant Commissioner (Excise and Strategic Support), is responsible for matters relating to revenue protection and excise control, dutiable commodities, strategic planning and executive support, project planning and development, information technology development, and international Customs liaison and co-operation. It comprises the Office of Dutiable Commodities Administration, the Customs Liaison Bureau, the Office of Strategic Research, the Office of Project Planning and Development, the Office of Information Technology and the Information Unit.

The Intelligence and Investigation Branch, headed by Assistant Commissioner (Intelligence and Investigation), is responsible for the detection and suppression of illicit drug trafficking and money laundering, enforcement of intellectual property rights (IPR) protection, and surveillance and intelligence in relation to enforcement actions.

The Branch is organized into the Customs Drug Investigation Bureau, the Intelligence Bureau, the Intellectual Property Investigation Bureau, the Revenue and General Investigation Bureau, and the Special Task Force.

The Trade Controls Branch, headed by a Senior Principal Trade Controls Officer, is responsible for matters relating to trade controls and consumer protection. The Branch is made up of the General Investigation and Systems Bureau, the CEPA and Trade Inspection Bureau, the Trade Investigation Bureau, the Trade Descriptions and Transshipment Controls Bureau, the Consumer Protection Bureau and a Special Project Planning Team.

In addition to the five branches, there are three central management units which work under the direct supervision of the Deputy Commissioner. They are the Office of Service Quality and Management Audit, the Internal Audit Division and a Special Project Team which was set up from 2008 to August 2009 to take forward special projects, including the Authorized Economic Operator (AEO) programme proposed by the World Customs Organization (WCO).

At the end of 2009, the Department had an establishment of 5 556 posts. Of these, 9 were directorate posts, 4 452 were posts of the C&E Service, 454 were those of the Trade Controls Officer Grade and 641 belonged to various General and Common Grades.

3. Anti-smuggling

Anti-smuggling

A major mission of the Department is to prevent and detect the smuggling of contraband and prohibited articles, the import and export of which are controlled by the laws of Hong Kong for the purpose of protecting the community and environment, maintaining public health and fulfilling international obligations. Smuggled items detected include dutiable commodities, narcotics, firearms, copyright infringing articles, goods bearing forged trademarks and goods with false origin labels and high value general merchandise.

In the fight against smuggling activities, the Department has strived to maintain a proper balance between control and trade facilitation to ensure speedy flow of legitimate cargoes at the control points.



Customs officers unloaded cargo from a container for cargo examination.

The Department detected 224 unmanifested cargo cases, an increase of 3% compared with 2008. Amongst the cases, 192 of them involved items smuggled between Hong Kong and the Mainland, including 88 at sea and 104 on land. There were 251 persons arrested and the seizures amounted to HK\$419 million.

Smuggling of general merchandise between Hong Kong and the Mainland is a matter of concern for both sides. High value commodities including electronic goods,



Scanning of container by Mobile X-Ray Vehicle Scanning System.

mobile phones and accessories, computer hardware, animal fur and seafood remained the popular items being smuggled to the Mainland. Items smuggled into Hong Kong include dutiable cigarettes, counterfeit and copyright infringing articles.

Concealment remains the most common tactic used by smugglers to evade Customs detection on land. Concealment methods included placing goods in false compartments of cross-boundary lorries and private cars, altering compartments in containers and mixing smuggled



Customs officers used X-ray Van for assisting cargo examination.

goods with legitimate imports or exports. On the other hand, smugglers made use of the long coast line of Hong Kong and used speedboats as smuggling conveyance, with loading places frequently changed, to deliver high value merchandise into the Mainland by sea. Some smuggling syndicates also made use of containerized sea cargo to smuggle hot items to the Mainland.

Since the establishment of the “Anti-Smuggling Strategic Action Force” (Action Force) in October 2007 by pooling resources from the Intelligence Bureau, the Special Task Force and the Marine Enforcement Group, the Department has effectively reinforced



Customs officers boarded a fishing vessel for rummaging.

enforcement actions against cross-boundary smuggling activities. The Action Force successfully concluded a number of large-scale anti-smuggling operations, including four significant sea smuggling cases with seizure of goods worth over HK\$82 million in 2009.

Dutiable Commodities

Illicit cigarette

Interdiction of cigarette smuggling is a priority task for the Department, and cigarettes smuggled across the land boundary with the Mainland remains a major concern. Smuggling syndicates tended to employ mix-loading and false declaration to smuggle illicit cigarettes into Hong Kong in large quantities. Apart from routine checking, intelligence exchange and parallel operations with the Mainland Customs at the land boundary control points are effective measures to suppress smuggling activities. In 2009, a total of 29 million sticks of cigarettes were seized in the cigarette smuggling cases. Cigarette smuggling by cross-boundary vehicles from the Mainland still accounted for the majority of detected cases, while sea-borne smuggling mode diminished substantially after rigorous enforcement by the Department. Through successful intelligence cultivation and close monitoring of suspicious shipments, the Department effectively suppressed transnational cigarette smuggling and no such kind of case was detected in 2009.

Abuse of duty-free cigarette concessions

Returning Hong Kong residents must have left Hong Kong for 24 hours or more before they can enjoy duty-free cigarette concessions is applicable in 2009. The situation of duty-free concessions abuse has improved due to increased publicity and public awareness.

Under the Compounding Scheme, fines totaling HK\$23.6 million were collected in 5 606 cases involving 2.07 million sticks of cigarettes, 6.8 kilograms of cigar, 9.3 kilograms of assorted tobacco product and 229 litres of liquor in 2009.

Illicit Fuel

Rigorous enforcement through increased checks on incoming vehicles and vessels, had contained illicit fuel smuggling from the Mainland. A total number of 19 cases, 15 at land and 4 at sea, were effected with 2 133 litres illicit fuel seized in 2009.

Project Crocodile

The Project is a platform for multilateral cooperation among Customs Administrations in the Asia Pacific Region to fight against transnational illicit cigarette smuggling. Hong Kong Customs remained an active reporter of suspicious shipments, contributing to some 56% of the total number of shipment notifications issued under the Project thus far. Since the launch of the Project in August 2004, 67 containers,

containing 442.94 million sticks of cigarettes and 1 300 kilograms of manufactured tobacco in total were seized as a result of information provided by Hong Kong Customs.

Dangerous Drugs

Ketamine, cannabis, methamphetamine (ice), heroin, cocaine and nimetazepam (Erimin-5) are the common types of dangerous drugs smuggled into Hong Kong. In 2009, the Department detected 544 such cases. Amongst them, a significant case of 200 kilograms of ketamine with retail value of HK\$23 million was detected in July 2009

at the Hong Kong International Airport during the examination of a cargo shipment declared as “bags” imported from India to Hong Kong.



A seizure of 200 kilograms of ketamine concealed inside a cargo shipment declared as “bags” was detected in July 2009 at the Hong Kong International Airport.

A record cross-boundary trafficking case was also detected at Man Kam To Control Point in September in which 139 kilograms of ketamine with retail value of HK\$16 million were seized. The drugs were concealed inside 23 out of the 120 speaker boxes in a consignment declared as “speakers” onboard an inbound container truck. 4 persons were arrested in this case.

Drug syndicates had taken advantage of the very heavy passenger and vehicular traffic at the various control points to smuggle drugs into Hong Kong. Couriers were used to smuggle small quantities of dangerous drugs each time to evade detection

and minimize loss upon interception. To combat the cross-boundary drug trafficking activities, Hong Kong Customs has continued to take vigorous enforcement actions, step up inspection as well as deployed Customs detector dogs to various land boundary control points.



A cross-boundary record seizure case with 139 kilograms of ketamine concealed inside 23 speakers was detected in September 2009 at Man Kam To Control Point.

Precious Metal

Due to the price difference between Hong Kong and Mainland and a tax rebate for the export of precious metal in the Mainland, there were isolated cases of smuggling of precious metal into the Mainland. In 2009, 3 cases involving seizure of 120 kilograms of silver slabs and 160 kilograms of nickel cubes were detected at the land boundary control points.

Arms and Weapons

Customs officers always maintain high vigilance at all control points to prevent the smuggling of arms and weapons into Hong Kong.

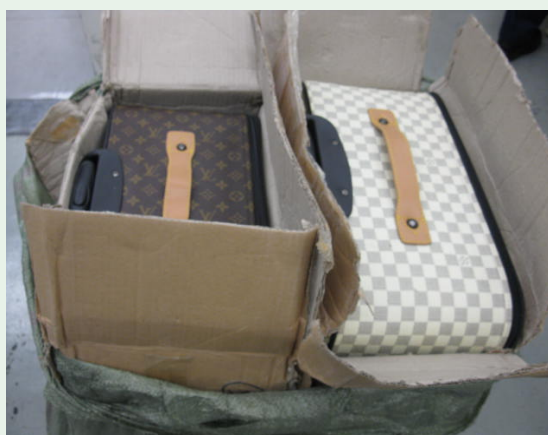
In 2009, 25 cases of firearms and weapons were detected at the Airport with 14 persons arrested and the total seizure value was HK\$119,091.

At the land boundary, a total of 8 cases were effected with the arrest of 5 incoming drivers and 3 incoming passengers. The seizures included 11 stun guns, 3 knuckledusters, 1 extendible baton and 3 numbers of rifle parts.

Counterfeit and Pirated Articles

The Department has continued to accord high priority to the protection of intellectual property rights. Regular operations were mounted to suppress counterfeiting and pirating activities. Major seizures included garments, handbags, shoes, leather products, watches, computer accessories, mobile phones and accessories, cosmetics, ornaments and household goods bearing forged trade marks or false origin labels.

At the Hong Kong International Airport, 156 cases were effected with 12 persons arrested in 2009. Seizures amounted to a total value of HK\$30.14 million in 2009. At the land boundary control points, a total of 81 cases with 60 persons arrested. Seizures valued at HK\$65.08 million were effected under the Trade Descriptions Ordinance and Copyright Ordinance.



In December, Customs officers at the Hong Kong International Airport successfully intercepted an export consignment contained 10,791 counterfeit accessories items of assorted brand names and the seizure value amounted to HK\$3.13 million.

Computer Accessories and Telecommunication Equipment

Smuggling of high-valued computer accessories to the Mainland continued in 2009. Among the smuggling cases detected at the land boundary, 35 cases involved the smuggling of computer accessories or telecommunication equipment. The major seizures included mobile phones and accessories, computer hard disks, Random Access Memory (RAM) sticks, computer CPUs, etc. The seizure value amounted to HK\$43.1 million.

Meat and Poultry

To safeguard public health, joint operations were regularly mounted by the Department with the Food and Environmental Hygiene Department (FEHD) at the land boundary control points. 1 248 joint operations with FEHD were conducted in 2009. Enforcement actions taken throughout the years had successfully deterred smuggling of meat and slaughtered poultry in large quantities by cross-boundary vehicles.

Endangered Species

There were still isolated cases where endangered species of plants and animals were smuggled into Hong Kong. In 2009, Customs officers at various control points detected 162 cases respectively of endangered species of plants, birds and animals.



The items involved American ginseng, crocodile meat, cobra, bear bile powder, stony coral, red sandalwood and orchid etc.

In June 2009, Customs officers detected illegal import of 300 numbers of endangered species of Testudo with value of HK\$240,000 from two cargo shipments arriving from Singapore and Thailand respectively at the Hong Kong International Airport.

Marked Oil

The Department launched the Voluntary Control Scheme on Sales of Marked Oil for Marine Use (Voluntary Control Scheme) in May 2005. The Scheme aims to suppress seaborne smuggling of marked oil into the Mainland and prevent marked oil from being re-landed for use as illicit fuel. Oil barges delivering marked oil are required to be registered with the Department and provide for inspection by the Department their transaction records. In 2009, 32 cases were detected with 86 persons arrested and the total seizure value amounted to HK\$1.1 million.

4. Trade Facilitation

The Department places great importance to enhancing Hong Kong as a major transportation and logistics hub in Asia and constantly strives to enhance its facilities and streamline procedures to improve clearance efficiency and facilitate passenger and cargo flows.

The Department is now working on the Electronic Advance Cargo Information (e-ACI) project, which provides an electronic platform for the launch of a “Road Cargo System” (ROCARS) to enable shippers to submit electronic cargo information in advance for customs clearance when their vehicles arrive at the land boundary control points. The target roll out date is mid 2010.



Officers prepared the mock Customs kiosk for ROCARS.

5. Narcotics Interdiction

Anti-narcotics Strategy

One of the major responsibilities of the Hong Kong Customs is prevention of illicit drugs trafficking. The Department adopts a three-pronged approach, i.e. drug investigation, recovery of drug/crime proceeds and control of precursor chemicals used in the illicit manufacture of drugs.

Apart from exercising stringent control at control points to prevent the inflow of drugs and their transit through Hong Kong, officers of the Customs Drug Investigation Bureau of the Department carry out enforcement operations against syndicated drug traffickers and street peddlers based on surveillance and intelligence.

To enhance the effectiveness of anti-drug operations, the Department is empowered to trace, restrain and confiscate drug or crime proceeds derived from illicit activities. The prime goals are to prevent drug traffickers or criminals from re-investing drug or crime proceeds to finance further drug trafficking and other criminal activities and using Hong Kong as a base for money laundering.

Being the sole agency responsible for the enforcement of the Control of Chemicals Ordinance, the Department has established a licensing system to monitor and control precursor chemicals. Through licensing control and an international liaison network, the Department strives to inhibit the illicit diversion of such chemicals at both local and global levels.

Enforcement

The usual modes of operation of drug traffickers are concealment of large quantities of illicit drugs in shipments of commercial cargoes, individuals bringing in small quantities of drugs using methods including body packing, concealment inside body cavities or hiding in false compartments in baggage. It has been observed that there is a growing trend for traffickers to use express parcels and ordinary mails to ship in small quantities of drugs.

Ketamine has become the most prevalent drug of abuse among young persons since 2004. The Department arrested 187 persons and seized 379 kilograms of ketamine in 2009. Among which, 200 kilograms were seized in a significant case at the Airport in July from an inbound cargo shipment from India. Another 139 kilograms were seized in a record cross-boundary trafficking case in September from an inbound container truck at the Man Kam To Control Point.

Moreover, 141 out of 187 persons were arrested at the land boundary control points with 151 kilograms of ketamine seized. Among these 141 arrestees, 29 of them were aged under 21 smuggling a total of 1.2 kilograms of ketamine.

Heroin came mainly from the “Golden Crescent” (the area overlapping Afghanistan, Iran and Pakistan), mostly by couriers with drugs concealed in their body cavities. In 2009, 39 kilograms of heroin were seized with 162 persons arrested.

39 persons were arrested with 73 kilograms of cannabis seized in 2009. A significant case was effected at the Airport in July in which 30 kilograms of herbal cannabis were seized and 2 couriers from South Africa were arrested. Two persons who collected the drug from the couriers in downtown were arrested in a subsequent controlled delivery operation.



A seizure of 30 kilograms of herbal cannabis with the retail value of HK\$2.7 million was detected from two passengers arriving from South Africa.

The abuse of cannabis resin is not common in Hong Kong. 14 kilograms of cannabis resin were seized in 2009. Of which, 10 kilograms were seized in the baggage of a passenger on-board a cross-boundary vehicle from the Mainland.

As regards methamphetamine, 31 kilograms were seized with 74 persons arrested. Of which, 10 kilograms of methamphetamine were detected at Lok Ma Chau Control



Point in April from the baggage of 3 passengers on-board an inbound cross-boundary passenger vehicle from the Mainland. Another 7 kilograms of methamphetamine were seized from a local drug storage with 2 persons arrested. The drugs seized were believed to be exported to places outside Hong Kong.

7 kilograms of methamphetamine with the retail value of HK\$5 million were seized from a drug storage centre in local area. Two persons were arrested.

In 2009, 28 persons were arrested with 42 kilograms of cocaine seized. A significant seizure of 15 kilograms was detected in September at a local drug storage with 1 person arrested. Other significant seizures included a total of 15 kilograms seized in 4 cases in the baggage of air passengers from South American countries, 6 kilograms seized as a result of international cooperation with overseas Customs authorities, and 3 kilograms seized from an air passenger arriving from Peru via South Africa, where the drugs were soaked in clothing items found inside his suitcase.



15 kilograms of cocaine with the retail value of HK\$15 million were seized from a drug storage centre in Sha Tin. One person was arrested.

International Cooperation

Effective drug enforcement relies on vigilance of officers, intelligence exchange and close co-operation between law enforcement agencies locally and overseas. The Department has noted examples of Customs co-operation resulting in arrests and major seizures in the Mainland, Japan, Germany, Indonesia, New Zealand, Australia and Hong Kong.

To implement the recommendations of the Task Force on Youth Drug Abuse, the Department has stepped up enforcement against cross boundary drug abuse and trafficking. The Department also works closely with the Shenzhen Customs to exchange intelligence and mount regular parallel operations at boundary control points on both sides to deter cross-boundary consumption of drugs.

There was a decrease in the number of persons aged below 21 arrested in connection with drug offences at the boundary control points, probably due to the deterrent effect of the enhanced enforcement action against cross boundary drug trafficking and the publicity on the harmful effects of drug abuse at the land boundary control points. In 2009, the number of arrests was 34 as compared to 45 in the previous year, representing a drop of about 25%.

In a parallel operation conducted with the Anti-Smuggling Bureau of the Shenzhen Customs, 44 persons were arrested for drug offences in Hong Kong, of whom three were youngsters aged below 21, with 2.7 kilograms and 2 012 tablets of assorted drugs seized.

Financial Investigation

The Department continues to take an active role in tracing proceeds derived from drugs and organized crimes. During 2009, the Department restrained HK\$25.22 million of crime proceeds from two local pirated optical disc syndicates and an international counterfeit cigarette smuggling syndicate, and confiscated HK\$1 million of crime proceeds from a local pirated optical disc syndicate.

The Joint Financial Intelligence Unit operated by the Department and the Police received 16 062 suspicious transaction reports from the financial institutions, among which 272 were forwarded to the Department for follow-up investigation.

Control of Chemicals

The Department maintains a licensing system under the Control of Chemicals Ordinance to regulate the trade of 25 chemicals, which are commonly used for the illicit manufacture of narcotic drugs and psychotropic substances.

In addition, the Department has been participating in a global co-operation mechanism to monitor the movements of precursor chemicals in a bid to prevent illicit diversion. Pre-export Notifications (PENs) are issued to the importing countries or territories for verifying the legitimacy of the shipment before export approval is granted. 539 PENs (controlled chemicals) and 176 PENs (pharmaceutical preparations containing ephedrine and pseudoephedrine) were issued to 24 and 6 countries respectively in 2009.

During the year the Department continued to participate actively in 2 international tracking programmes, namely "Operation Cohesion" and "Project Prism" for monitoring the movements of potassium permanganate, acetic anhydride and chemicals that could be used for illicit manufacture of amphetamine-type stimulants. These initiatives, organized by United Nations International Narcotics Control Board (INCB), are recognized as effective multilateral mechanism to prevent the diversion of precursor chemicals. In July 2009, the Department also participated in the joint operation "PILA" which focuses on the shipments of pharmaceutical preparations containing ephedrine and pseudoephedrine.

A joint operation, "Zircon Pacific" launched by the Department and the US Drug Enforcement Administration, Hong Kong Country Office (DEA/HKCO) for tracking the movement of suspicious shipments of acetic anhydride, acetylchloride, piperidine and potassium permanganate via Hong Kong to high-risk countries.

Besides, the Department proactively exchanges information and intelligence with overseas law enforcement agencies on suspicious shipments of precursor chemicals sourced in the region and shipped through Hong Kong to high-risk destinations.

In March 2009, as part of the customs-to-business partnership programme to foster a closer working relationship to enhance our enforcement capabilities against illicit diversion of precursor chemicals, the Department organized a seminar on Control of Precursor Chemicals in Hong Kong for local shipping companies, airlines and cargo handling agents involved in precursor chemicals business.

6. Intellectual Property Rights Protection

Rigorous and sustained enforcement actions were taken by officers of the Intellectual Property Investigation Bureau and the Special Task Force to combat copyright infringement and trademark counterfeiting activities in Hong Kong at both the manufacturing and retailing level.

Anti-piracy Enforcement

The Department detected 6 372 copyright piracy cases and arrested 1 109 persons in 2009. Seizure of pirated optical discs (ODs) amounted to 2.02 million. Together with other seizures, including OD production equipment and paraphernalia involved in the cases, the total value of seizure was HK\$71 million.

Actions against Retail Sale of Pirated Goods

The Department continued to take rigorous enforcement actions against retail outlets of pirated ODs. The number of retail outlets selling pirated ODs is estimated to have dropped from about 1 000 in 1998 to fewer than 15 at present. The sustained actions taken by the Department have driven the pirates to adopt stealthy sale tactics, such as through providing "self-service" with unmanned stalls, "pre-order sale" to sell small quantities of discs (i.e. customers would pay first at the shops and collect the discs later at other locations), and adopting mode of "mixed shops" (i.e. retail shops selling infringing optical discs along with genuine ones). Most of the illicit outlets now operate at shorter and irregular hours displaying only a very small number of pirated ODs to minimize loss.



Rigorous and repeated raids against pirated optical disc retail outlets.

Actions against Manufacture, Import and Export of Pirated Goods

Since the commencement of the Prevention of Copyright Piracy Ordinance in May 1998, all OD factories in Hong Kong are required to obtain a manufacturer licence from and subject to inspection by the Department. To further combat copyright piracy, the Prevention of Copyright Piracy Ordinance (Amendment of Schedule 1) Order 2002 came into force on 19 July 2002, requiring manufacturers of stampers in Hong Kong to obtain a licence from the Department. In 2009, Customs officers conducted 300 inspections of licensed OD and stamper factories.

Actions against Internet Piracy

In April 2000, the Department established an “Anti-Internet Piracy Team” to specially fight Internet piracy. It deploys advanced on-line monitoring software to detect copyright infringing activities on the Internet. Since its establishment, the “Anti-Internet Piracy Team” has detected 186 Internet piracy cases, with 240 arrests and seizure of pirated articles and computer equipment worth HK\$8.24 million. In 2005 the Department initiated the first-ever prosecution against an Internet user who seeded films onto the Internet through BitTorrent (BT) to facilitate online “Peer-to-peer” sharing of pirated works. The offender was convicted. His subsequent appeal was dismissed by the Court of Final Appeal in 2007. The successful prosecution of the Internet uploader serves as a strong deterrent against similar online infringement activities.

Actions against Corporate Use of Pirated Works in Business

The Intellectual Property (Miscellaneous Amendments) Ordinance 2000 introduced new provisions to enhance copyright protection. Apart from prohibiting any person from bringing video-recording equipment into cinemas and places of public entertainment to prevent bootlegging, the new provisions also criminalize the corporate use of infringing copyright works (including computer software, movies, TV dramas or music and sound recordings) in business. Since the provisions on corporate end-users came into operation in 2001, the Department has detected a total of 210 cases of corporate use of pirated works, arrested 442 persons and seized items having a worth of HK\$10.65 million.

Provisions of Copyright (Amendment) Ordinance 2007

In July 2007, further amendments were made to the Copyright Ordinance. The amended criminal liabilities for copyright infringement mainly cover the following areas:

On “Parallel Importation”

The criminal sanction period for the “parallel importation” of infringing copyright works was shortened from the original 18 months to 15 months. To enhance enforcement efficacy, certain “presumptions” were introduced to the legislation to facilitate Customs detection and prosecution of cases of “parallel importation” of copyright infringing works. At the same time, the scope of the provisions on affidavit evidence had also been expanded to facilitate overseas copyright owners by allowing them to establish facts on copyright authorization and licence by way of an affidavit. Since the coming into effect of the amendment provisions on 6 July 2007, the Department has detected a total of 48 cases involving “parallel importation” of copyright infringing works and arrested 60 persons.

On “Circumvention Devices” and “Circumvention Services”

The legislative amendment has increased the criminal and civil liability for circumvention of “technological measures to protect copyright works”. Following the amendment to the Copyright Ordinance, any person who engages in commercial dealing of circumvention devices or provides circumvention services for commercial purposes shall be subject to criminal sanction. The Department has so far detected a total of 39 such cases and arrested 52 persons.

On “Business End-user Piracy”

An amendment provision was incorporated into the Copyright Ordinance to extend the criminal liability to company directors or partners as well as in cases of “possession of an infringing copy of copyright work”. The provision is aimed at increasing management accountability and promoting effective business governance. The relevant provision already came into force on 11 July 2008. The business end-user criminal liability for “possession of an infringing copy of copyright work” is applicable to computer software, movies, TV dramas and TV/movies or music (sound or visual) recordings. Since the commencement of the provision, the Department has detected a total of 55 such cases and arrested 102 persons (including 43 company directors).

“Business End-user Copying / Distribution Offences”

The business end-user copying and distribution offence was included in the Copyright (Amendment) Ordinance 2007. A person commits an offence if he makes for distribution or distributes an infringing copy of a copyright work without a valid licence for trade or business purpose and on a regular or frequent basis, where such act results in a financial loss to the copyright owner. The Copyright (Amendment) Bill

2009, which sets out the numeric threshold for the application of the offences, was passed by the Legislative Council on 18 November 2009. The Government will then announce the effective date of the new provisions.

Restraint and Confiscation of Crime Proceeds of Piracy Syndicates

The Department applies the Organized and Serious Crimes Ordinance (OSCO) to Intellectual Property Rights (IPR) investigations with a view to dealing a heavy blow to the organized criminal syndicates engaged in piracy and counterfeiting activities. Since the first application of OSCO to a piracy case in 2004, the Department has applied this tool to a total of 9 IPR cases (8 copyright cases, and 1 counterfeit case), where some HK\$113 million worth of crime proceeds/assets have been restrained.

Actions against Counterfeit Goods

The Department continued to take rigorous enforcement actions against the sale of goods with forged trademarks. As a result of these sustained actions, trademark counterfeiting in Hong Kong is now under control, with no sign of major counterfeit goods manufacturing activities detected locally. What remains of counterfeit sale is sporadic and of a very limited scale. The number of hawker stalls selling counterfeit goods has dropped significantly.

In 2009, the Department detected 1 698 cases involving counterfeit goods or goods bearing false trade descriptions, arrested 954 persons, with a total value of HK\$177.92 million. The seizure mainly consisted of counterfeit garment, wrist watches and leather goods.

Actions against the sale of Counterfeit Goods on Internet Auction Site

In 2009, 39 cases were detected involving the sale of counterfeit goods on Internet auction site. 44 persons were arrested and counterfeit items with total seizure amounted to HK\$660,000 were seized.

In collaboration with Customs, auction site operators displayed warnings to remind auctioneers not to sell counterfeit goods on the auction sites. They also shortened the time required for removal of suspected listings of counterfeit goods from one or two days to a few hours.

Actions against Wine Counterfeiting

To promote Hong Kong's wine trading and distribution businesses, the Government reduced the duty rates of wine to zero and removed the related administrative controls in June 2008. Since then, wine imports into Hong Kong have increased significantly.

In combating wine counterfeits, a dedicated anti-wine counterfeit team was set up in August 2008 to carry out investigations and enforcement actions against the cases of counterfeit wine. In the past 3 years, there was no such case being detected.

Court Penalty on IPR Infringement Activities

Under the Copyright Ordinance, the maximum penalty for copyright piracy offences is imprisonment for eight years and a fine of HK\$500,000. Under the Trade Descriptions Ordinance, the maximum penalty for trademark counterfeiting is imprisonment for five years and a fine of HK\$500,000. In 2009, the highest sentences handed down by the court for copyright infringement cases were 74 months' imprisonment. As for trademark counterfeiting and false trade description cases, the highest sentence recorded in 2009 was 8 months' imprisonment. A total of 671 persons were sent to jail for copyright offences, and another 125 persons were sentenced for trademark or trade description offences. The heavy penalties imposed by the court have indeed produced a strong deterrent effect in combating such illicit trade.

Actions to tie in with the Staging of “5th East Asian Games” in Hong Kong

The Hong Kong 2009 East Asian Games (EAG) held from 5 to 13 December 2009 concluded successfully. To make concerted efforts for the event, the Department had stepped up IPR enforcement to protect the trademarks and copyrights of the EAG merchandises, and to suppress the manufacturing, distributing and selling of infringing and counterfeit EAG merchandises in the vicinities of the events venues and tourism hot spots. During the period, a Command Centre was set up to take quick response to allegation relating to EAG merchandises. Patrol teams formed by the officers of the Intellectual Property Investigation Bureau and the Special Task Force were deployed to conduct frequent patrols in the neighbouring areas/districts of the competition venue to prevent any peddling of infringing products, particularly those related to the EAG. Dedicated teams were deployed to stand ready to take over cases effected relating to IPR infringement virtually at any time round-the-clock.

Strategic Partnership with the Industry

The Department has been working closely with the IPR industry in the fight against piracy and trademark counterfeiting. Assistance offered by the industry includes provision of information on IPR infringement activities, examination of infringing goods, testimony in court and training for frontline enforcement officers on product identification. At the same time, the Department has also been actively maintaining

close liaison with the industry, local and overseas law enforcement agencies, academics, etc. Timely exchange activities were organized to look into IPR protection issues and share experience from a multifarious perspective.

In 2009, the Department achieved good progress in its partnership with the IPR sector and collaboration was sustained in the following areas:

- The “Intellectual Property Rights Protection Alliance” (IPRPA) established by the Department and the industry in March 2004 provides a useful platform for both parties to sustain their strategic partnership and strengthen intelligence exchange. At present, 55 organizations of the IPR sector have joined IPRPA. A working committee was established and tasked to organize IPR protection-related activities, including the launching of publicity and educational campaigns, to raise social awareness of IPR protection.
- To counter the sale of infringing articles on the Internet, the “E-auctioning with Integrity Scheme” was jointly launched with local auction site operators and a number of IPR owners in November 2005 to encourage integrity in online trading. When the IPR owners had sufficient reasons to suspect that the goods put up at auction were IPR infringing goods, they would notify the auction site operators concerned to remove listings of items suspected to be IPR infringing goods. To date, listings of about 80 000 items suspected to be IPR infringing goods have been removed.
- The “Fast Action Scheme” launched jointly with the “Hong Kong Brands Protection Alliance” (HKBPA) in July 2006 continues to play its role at major exhibitions and trade fairs staged in Hong Kong. Through the scheme, the Department was able to take prompt enforcement action upon receipt of reports on IPR infringement activities from the exhibitors. Publicity leaflets were distributed to the exhibitors at the opening of exhibitions to publicize the penalties for IPR infringement offences and to encourage participants to report IPR infringement acts. Since the implementation of the scheme, the Department has activated the “Fast Action Scheme” at 34 major exhibitions and trade fairs, leading to the detection of a total of 100 IPR infringement cases and the arrest of 122 persons.
- Supporting Hong Kong’s development into a regional wine trading and distribution centre, Customs-Wine Industry Alliance (海關與葡萄酒業界大聯盟) was formed with 18 organizations of the local wine industry in October 2008, to provide a platform for communication and collaboration with the industry and to gear up for the combat against offences involving counterfeit wine and false information on place of origin. Hong Kong Customs has been establishing

contacts with overseas law enforcement agencies and wine regulatory bodies. The Department will continue to liaise closely with these authorities to obtain information and source expertise in regard to the latest technologies applied for the identification of counterfeit wines.

Reward Schemes

The IPR industry and the Department are joining forces to step up intelligence collection and actions against IPR infringement offences. The joint efforts include the running of reward schemes sponsored by the industry. Cash rewards will be paid to informers who provide information to the Department leading to successful seizure of a specified type and amount of infringing goods. The four existing reward schemes cover the following areas:

- Anti-piracy (except retail level) Reward Scheme - sponsored by the copyright industry
- Reward Scheme to Combat Illegal Use of Software in Business – sponsored by “Business Software Alliance”
- Reward Scheme to Combat Counterfeit and Trademark Infringed Pharmaceutical Products – sponsored by “Hong Kong Association of the Pharmaceutical Industry”
- Reward Scheme to Combat Illegal Photocopying of Books – sponsored by “Hong Kong Reprographic Rights Licensing Society”

Publicity Programmes for IPR Protection

Suppressing IPR infringing activities cannot be done by enforcement alone. If demand exists for pirated and counterfeit goods, the illicit trade will continue. Promotion of civic education to promote public awareness and respect for IPR protection is equally important. In 2009, the Department launched several publicity campaigns to promote IPR protection.

In collaboration with 11 local uniformed youth groups and the IPR sector, the Department first launched the “Youth Ambassador Against Internet Piracy Scheme” in July 2006. To date, the Department has received over 1 600 reports on infringing BT seeds from youth members. After preliminary screening by the Department, the reports will be forwarded to the copyright owners and the webmasters of the relevant discussion forums. Corresponding action will then be taken to remove the BT seeds. To actively engage the youth and promote the importance of IPR, the Department organized a campaign entitled “Youth Ambassador of the Year” in January 2010 to recognize the outstanding performance in curbing online infringing acts and participation of uniformed youth groups and individual members. Besides, an array

of activities, such as visits to TV and comic and animation production studios, visit to IPR Enforcement Museum, film premieres, slogan and photography competitions, e-Christmas card design competition, “train-the-trainer workshops”, etc., were also organized by the Department to enable youngsters to understand through various channels the importance of IPR protection.

“Respect IP on the Internet” Card Holder Design Competition was jointly organized by the Department and the Intellectual Property Department (IPD) in September and October 2009 to promote respect for intellectual property on the Internet, and help instil a creative culture in the public. More than 800 entries for the competition were received. The winning designs of the competition were selected by a board of judges comprising the representatives of the Department, IPD and IPR industry. A presentation ceremony was held in January 2010 to give recognition to the winners of the competition.



“Respect IP on the Internet” Card Holder Design Competition and the “Ambassador of the Year 2009” Presentation Ceremony was held on 16 January 2010 at Youth Square, Chai Wan.

7. Consumer Protection

The Department protects consumer interests through enforcement of the Toys and Children's Products Safety Ordinance, Consumer Goods Safety Ordinance, Weights and Measures Ordinance, and Trade Descriptions (Marking)(Gold and Gold Alloy) Order and Trade Descriptions (Marking)(Platinum) Order.

Weights and Measures Ordinance

To weed out the dishonest sale of short-weighted items, the Department conducted 1 520 spot checks and 1 234 investigations in 2009 to detect and deter the use of inaccurate weighing and measuring equipment in trade and the supply of goods which were short of the purported weights. Retail sales which involve comparatively more complaints concerning short weight continued to be the targets of the Department's enforcement actions. As a result, prosecution was taken against 145 cases in 2009 for contraventions of the Weights and Measures Ordinance.

Toys and Children's Products Safety Ordinance and Consumer Goods Safety Ordinance

The Department conducted spot checks and investigations to ensure toys, children's products and consumer goods supplied in the market are reasonably safe and are affixed with bilingual warning labels. In 2009, 2 891 spot checks and 603 investigations were conducted, of which 21 cases had resulted in prosecution. Besides, the Department issued 22 Prohibition Notices prohibiting the supply of unsafe products, including face and body paint, stuff toys, flying disc toys, puzzle toys, crystal baby toys (expandable plastic beads) and battery-operated lantern toys.

Trade descriptions (Marking)(Gold and Gold Alloy) Order and Trade Descriptions (Marking)(Platinum) Order

To ensure compliance with the Gold and Platinum Marking Orders and to detect misrepresentations of fineness of gold and platinum in products on sale, 85 inspections and 77 investigations on gold and jewelry shops were conducted in 2007. Of the investigations concluded, six cases had resulted in prosecution for supplying gold and platinum articles with deficient fineness content. In 2008, the numbers of inspections and investigations stood at 85 and 16 respectively. Of the investigations concluded, 18 cases had resulted in prosecution for supplying golden ornaments of which the fineness of gold was misrepresented.

Education-oriented seminars

To promote traders' awareness of product safety and their obligations in complying with the related Ordinances, the Department conducted education-oriented seminars for leading department stores, chain shops, and small and medium enterprises in the past two years. Furthermore, the Department continues to work closely with the Consumer Council with a view to promoting public awareness of product safety and fair trading.

Trade Descriptions Ordinance Enforcement

In response to the growing public concerns about incidents of unscrupulous retailers employing deceptive, misleading or unfair sales practices and to uphold Hong Kong's reputation as a shoppers' paradise, the Government has strengthened the consumer protection regime by introducing new provisions under the Trade Descriptions Ordinance. The new provisions, which were enacted in June 2008 and took effect on 2 March 2009, prohibit the following three types of dishonest sales practices:

- (a) Section 13A requires that the price per unit quantity on signs must be readily comprehensible if such goods are exposed for sale in price set by reference to any unit quantity. Unclear or obscured price signs are unlawful.
- (b) Section 13B requires that retailers selling five types of regulated electronic products (namely digital audio player, digital camcorder; digital camera, mobile phone and portable multimedia player) must inform the buyer before he pays for the goods if the price of the product does not include essential accessories.
- (c) Section 13C prohibits retailers from making false or misleading representations of having connection with or endorsement by individuals or organizations of good standing and reputation.

Besides, the definition of "trade descriptions" has also been expanded to cover after-sale services and warranties for goods. Any person who makes false representations on these matters commits an offence. Meanwhile, eight pieces of Regulations and Orders have been made/ amended under the Ordinance to regulate the sales practices of specified retail industries, which include articles of gold, platinum, diamond and fei cui, and the aforesaid five types of electronic audio-visual products.

To raise the public's awareness of their consumer rights and to remind retailers of their legal obligations, a large-scale publicity campaign "Sell with integrity – Buy with confidence" was launched in early 2009. Television and radio announcements of public interests were broadcasted, and pamphlets with the salient points of the new law highlighted were distributed to local and visiting consumers at popular shopping areas as well as the passenger arrival halls of various control points. In 2009, the Department organized a series of seminars and briefings for traders in various retail industries to ensure compliance of the law, and join force with the Consumer Council, the Travel Industry Council of Hong Kong, Hong Kong Tourism Board and other stakeholders to better protect consumers.

During the year the Department carried out 3 301 spot checks at retail shops, including those frequented by overseas and Mainland visitors. Meanwhile, uniformed and plain-clothes officers patrolled in various trade fairs and exhibitions to deter dishonest sales and to ensure compliance with the law. In the year, the Department received 443 trade description related complaints, most of which involved Chinese herbs, dried seafood, other foodstuff and regulated products. 603 investigations were conducted, 19 of which ended in prosecution.

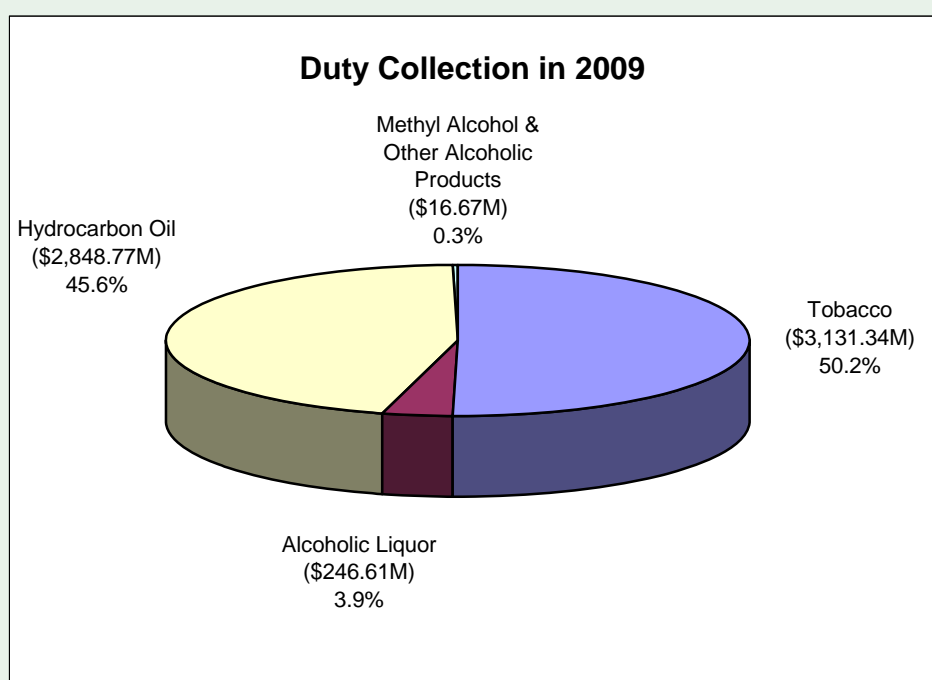


Trade Controls Officers mounting an operation under the Trade Descriptions Ordinance.

8. Revenue Collection and Protection

Revenue

In 2009, excise duties collected was HK\$6,243.4 million, including 45.6% from hydrocarbon oil, 50.2% from tobacco, 3.9% from alcoholic liquor and 0.3% from methyl alcohol and other alcoholic products. The revenue collected in 2009 dropped slightly by 0.2% compared to 2008. On 25 February 2009, the Government announced a 50% increase in tobacco duty as a measure to discourage smoking. The percentage distribution of duty collection by commodities is shown in the diagram



Open Bond System

All dutiable commodities bonded warehouses in Hong Kong are currently licensed under the Open Bond System (OBS), which was introduced on 1 April 2003 with a view to facilitating legitimate business activities and lowering the operating cost of the trade.



Routine compliance check on dutiable goods at duty-free shop.

Under the OBS, Customs controls are exercised through comprehensive post-transaction auditing, compliance checks and surprise checks on loading and unloading of dutiable goods. The number of bonded warehouses increased steadily over the years, from 38 in April 2003 to a peak of over 80 in mid-2008 before the

Government removed the licence requirement on warehouse operators of wine and non-hard liquor (after the removal of duties) on 6 June 2008. As a result of de-licensing, the number of bonded warehouses now stands at 63 at the end of 2009.

Illicit Fuel

To tackle the problem of illicit fuel, the Department had strengthened enforcement actions as well as increased publicity campaigns to raise public awareness on illicit fuel and encourage the public to report illicit fuel activities.



Seizure of illicit motor spirit carried in plastic receptacles from the Mainland into Hong Kong by means of inbound cross-boundary vehicles.

586 cases were detected with 128 307 litres of illicit fuel (excluding export cases) seized, representing a decrease of 46% in cases and a drop of 40% in seizures over 2008. The drop in seizures was mainly the result of the fading trend of illegal use of marked/ detreated oil as vehicular fuel, following the reduction of duty rate on Euro V diesel to zero w.e.f. 14 July 2008 and sustained enforcement by the Department.

Illicit Cigarettes

The Department effected 8 419 illicit cigarette cases with the seizures of 61 million sticks of cigarettes and the arrests of 7 790 persons in 2009. The total value of the seized illicit cigarettes was HK\$111.6 million and the duty potential was in excess of



Hong Kong Customs seized 2.6 million sticks of illicit cigarettes smuggled into Hong Kong by means of two medium goods vehicles from the Mainland in March 2009.

HK\$70 million. As compared with the preceding year, the numbers of cases and arrests increased by 67% and 68% respectively. The increases were mainly due to strengthened enforcement actions against illicit cigarette activities in response to the cigarette tax increase in 2009.

9. Trade Controls

Upholding Hong Kong's Trading Integrity

Given the importance of trade and industry to the economy of Hong Kong, the Department enforces various trade controls systems including the Certification of Origin System, the Textiles Control System, the Strategic Trade Control System, the Import and Export Declaration System and the Kimberley Process Certification Scheme to ensure that Hong Kong fully discharges its international obligations and complies with multilateral trade agreements. Through its enforcement actions, the Department also protects the legitimate interests of traders and manufacturers. In addition, the Department mediates disputes between overseas traders and local suppliers to safeguard Hong Kong's trading reputation.

Certification of Origin System

Hong Kong maintains a comprehensive Certification of Origin System to establish the origin of goods produced in Hong Kong. As part of the control arrangements, Certificate of Origin (CO) applications covering exports of cut-and-sewn garments to the United States of America and Member States of the European Union¹ have to be supported by production notifications (PNs) validated by the Trade and Industry Department (TID). The PN requirement serves to ensure that the origin-conferring process for the manufacture of cut-and-sewn garments has taken place in Hong Kong. To uphold the credibility and integrity of the System, the Department conducts pre-registration inspections on factories applying for CO facilities to ensure their production capacities. Also, periodic inspections on registered factories to ensure their continuous compliance with registration conditions, and consignment checks on goods covered by CO applications and PNs were carried out. In 2009, the Department conducted a total of 8 159 factory inspections and consignment checks (not counting those related to the Certificate of Hong Kong Origin (CEPA)).

Textiles Control System

With the elimination of textiles quotas on textiles and clothing (T&C) products starting from 1 January 2005, Hong Kong adopts a simple yet effective Textiles Control System which aims at providing increasing facilitation to the trade while maintaining necessary control to safeguard the overall interest of Hong Kong's textiles trade. The Department is committed to taking rigorous enforcement actions so as to

¹ *The PN requirement for the European Union market was lifted on 29 June 2009.*

maintain the integrity and credibility of the System in fulfillment of international obligations, thereby ensuring unrestricted access of Hong Kong's T&C products to the world markets.

The Department operates a comprehensive enforcement programme and reviews regularly its strategies to meet the changing circumstances in the global and local T&C trade and industry. The Department adopts an intelligence-led strategy and a two-pronged approach to tackle the problem of illegal textile transshipment. Apart from the factory-based pre-shipment and post-shipment checks, real time production checks and factory audit checks, it regularizes blitz check operations and strengthens targeted checks and investigations.

Blitz checks are surprise inspections of cargo consignments at the control points. It has been proven effective in tackling illegal transshipments. The strategic use of intelligence and risk management in blitz check operations has greatly enhanced the Department's effectiveness in combating illegal transshipment activities.

In 2009, the Department examined 15 931 consignments in 576 blitz check operations and detected 69 cases of illegal textile transshipment with seizures worth HK\$28.35 million. Meanwhile, 274 persons/companies were prosecuted for various textiles-related offences, resulting in the imposition of court fines which amounted to HK\$4 million and seizure of offending textiles and clothing goods worth HK\$21.2 million.

In addition, to weed out shady establishments engaging in illegal transshipment of textiles, the Department mounted special operations in 2009 by conducting audit checks on 68 factories for ascertaining their production capability within specified manufacturing periods. As a result, 2 factories were prosecuted and 9 factories were suspended from further using the licensing and certification facilities.

After the global elimination of quotas in 2005, a Memorandum of Understanding (MOU) was signed between the HKSAR Government and the US Government in August 2005 on the co-operation in trade in textiles and apparel goods. During the HK/US Joint Factory Observation Visits conducted in August 2007 under the MOU, a total of 51 factories were visited. In another round of Joint Factory Observation Visits conducted in March 2008, a total of 48 factories were visited.

Strategic Trade Control System

To maintain a free flow of high-tech commodities for legitimate commercial and research use while at the same time to prevent Hong Kong from being used as a conduit for the proliferation of controlled strategic goods, the Department, in

collaboration with the TID, vigorously enforces the Strategic Trade Control System to monitor the flow of strategic commodities and to detect the provision of services used for the development and production of weapons of mass destruction.

The Chemical Weapons (Convention) Ordinance which aims to fully implement the Chemical Weapons Convention in Hong Kong, underlines Hong Kong's commitment to internationally agreed arrangements on the ban of chemical weapons and on the monitoring of activities involving sensitive chemicals. Through enforcement of the Ordinance, the Department helps ensure Hong Kong's continued access to a full range of chemicals needed for local industrial, medical, research and trading purposes.

In combating illegal diversion of strategic commodities, the Department carries out licence checks to verify the authenticity of information given in import and export licence applications and disposal checks to ensure that articles imported are used as declared.



An officer checking strategic commodities intercepted at Control Points.

In 2009, the Department conducted 1 515 import licence checks, 2 788 export licence checks and 124 disposal checks, investigated 233 cases and prosecuted 53 persons/companies leading to a total fine of HK\$2.22 million. In these cases, the value of goods involved was HK\$78.1 million.

Import and Export Declarations and Cargo Manifests

The Department administers and enforces the Import and Export Declaration and Cargo Manifests System. Under the Import and Export (Registration) Regulations (Cap. 60E), cargo carriers are required to lodge with the Commissioner of Customs and Excise cargo manifests within 14 days after the arrival or departure of the cargoes imported into or exported out of Hong Kong. Moreover, any person who imports or exports/re-exports an article other than an exempted article is required by law to lodge an import or export/re-export declaration within 14 days after importation or exportation of the article and to pay a declaration charge. For exports of Hong Kong manufactured clothing (including footwear) items specified in the Schedule to the Industrial Training (Clothing Industry) Ordinance, an additional clothing industry training levy has to be paid. The Department conducts checks to ensure that full and completed cargo manifests, and import and export/re-export declarations are

submitted within the statutory time frame and that they contain accurate information. Late lodgment of cargo manifests / declarations or lodgment of inaccurate cargo manifests / declarations is liable to prosecution and penalties.

The Department received 17.4 million declarations and collected HK\$1,288 million import and export declaration charges/clothing industry training levies/late penalties in 2009. Short-paid declaration charges/clothing industry training levies recovered and late/administrative penalties imposed amounted to HK\$44.4 million. The Department also received around 5.09 million cargo manifests in respect of air, ocean, rail and road modes of transport.

Educational Seminars

In order to reduce the number of late and non-lodgment cases, since August 2008 the Department organizes regular educational seminars to remind traders and carriers/forwarders of their obligation and to improve their knowledge in lodging timely and accurate trade declarations and cargo manifests. The Department organized



71 educational seminars for 1 710 traders / forwarders / carriers in 2009. Furthermore, the Department continues to work closely with the Census and Statistics Department with a view to promoting the awareness of lodgment of cargo manifests and import/export declarations.

Assistance to Overseas Customs Administrations on Valuation Fraud Cases

Being a member of the World Customs Organization, the Department offers assistance to other Customs administrations upon their requests for investigation of customs duty related frauds. During the year the Department received 50 requests, and most of them involved under-valuation of goods.

Closer Economic Partnership Arrangement (CEPA) -Trade in Goods

Since the implementation of CEPA from 1 January 2004, 1 585 items of Hong Kong products currently enjoy zero tariff treatment upon importation into the Mainland if they are covered by a Certificate of Hong Kong Origin (CEPA) (CO(CEPA)). A total of 10 861 applications for CO(CEPA) were received. Of these applications, 10 687 CO(CEPA)s at a total value of HK\$5,447 million were issued in 2009. These

applications covered a wide range of products, top five of which in terms of value were pharmaceutical products, plastic materials and articles, textiles and clothing, food and beverage, and metal products.

The Department is charged with the enforcement duties of the CEPA Certification System. During the year the Department conducted consignment checks against 1 249 applications for CO(CEPA) and examined 37 CEPA consignments at various cargo exit points.

Kimberley Process (KP) Certification Scheme

The Kimberley Process (KP) Certification Scheme for rough diamonds has been developed by the KP, an international negotiating forum, that seeks to stop the trade in "conflict diamonds" from fuelling armed conflicts, activities of rebel movements and illicit proliferation of armament. Some 74 economies including the People's Republic of China (PRC) have participated in the Certification Scheme. Hong Kong joined the Scheme as a designated importing and exporting authority of the PRC in order to safeguard Hong Kong's interest as a trading hub of diamonds in this region. The Certification Scheme, which comprises a registration system for rough diamond traders and a certification system for the import and export of rough diamonds, has been implemented in Hong Kong since 2 January 2003. The Department conducted a total of 617 consignment inspections and 12 investigations on rough diamonds during the year.

Reserved Commodities Control

Through the enforcement of the Reserved Commodities Ordinance, the Department monitors the import and export of rice and ensures a stable supply of the commodity in Hong Kong. The Department conducted 3 704 inspections, investigated 8 cases, prosecuted 8 persons/individuals resulting in a fine of HK\$35,000 in 2009. In these cases, value of the rice involved was HK\$5.4million.

Mainland Cereals and Grain Flours Control

To complement the Mainland export quota measures and export duty exemption on cereals and grain flours, including wheat flour, rice flour and rice, the TID implemented a registration arrangement for local importers of cereals and grain flour from the Mainland (the arrangement) in early 2008. To support the arrangement and to ensure the cereals and grain flour imported from the Mainland were solely for local consumption, the Department conducted 237 inspections/verifications and 28 investigations in 2008. The value of the goods involved in the investigation cases was HK\$5.2 million. In 2009, the Department conducted 252 inspections/verifications

and 60 investigations, the value of the goods involved in the investigation cases was HK\$7.9 million.

Trade Mediation

To protect Hong Kong's trading reputation, the Department provides free mediation service to settle cases of trade dispute lodged by overseas trading firms against local companies. In 2009, the Department mediated in 94 cases and 33 of them were successfully settled.

Anti-money Laundering and Counter-financing of Terrorism

To comply with the international anti-money laundering (AML) and counter-financing of terrorism (CFT) standards which help to maintain Hong Kong's status as an international financial centre, the Financial Services and the Treasury Bureau has proposed to introduce new legislation to enhance AML/CFT requirements for financial institutions. According to the legislative proposals, this Department will be the regulatory authority for remittance agents and money changers (RAMCs) and will administer a licensing system for RAMCs. The Department has set up a planning team to undertake the preparatory work for implementation of a new regulatory regime for RAMCs.

10. Customs Co-operation

World Customs Organization (WCO)

The Department continued its active participation in the WCO's meetings, including the Customs Co-operation Council Sessions, the Permanent Technical Committee (PTC), the Enforcement Committee (EC), the Special Joint Meeting of PTC and EC, the Integrity Sub-Committee, and the Information Management Sub-Committee. The Department also rendered its full support to other activities, including seminars, campaigns, and joint enforcement operations relating to the promotion of capacity building, customs integrity, trade facilitation, anti-piracy and counter-terrorism measures.

Recognizing the importance of Customs co-operation in combating transnational crimes in the Asia Pacific (A/P) region, the Department assisted the WCO Regional Intelligence Liaison Office (RILO) Asia Pacific in organizing the 21st Administrative Meeting of the National Contact Points (NCP) in Hong Kong between 20 and 22 October 2009. Delegates of 19 Customs administrations from the A/P Region together with representatives from the WCO, Regional Office for Capacity Building (ROCB) for A/P Region, RILOs for other regions and various international organizations participated in the meeting.



Participants of the 21st Administrative Meeting of National Contact Points of the Regional Intelligence Liaison Office for Asia and the Pacific held in Hong Kong between 20 and 22 October 2009.

The NCP meeting covered various on-going regional enforcement issues such as actions against drug trafficking, tobacco smuggling, environmental crimes and commercial fraud. An action plan and work plan for RILO A/P for 2010 were endorsed. The meeting also came up with new initiatives to address some emerging issues such as the impact of global financial crisis on the trends of smuggling activities and the growing problem of ketamine abuse in the region.

In support of the capacity building programme in the A/P region, the Department, in co-operation with the WCO ROCB A/P, organized the WCO Regional Workshop on X-ray Scanner Image Analysis from 30 November to 4 December 2009 at the Customs and Excise Training School. A total of 37 representatives from 25 member administrations participated in the workshop. The workshop highlighted the importance of risk management and the application of Non-Intrusive Inspection (NII) technology to secure and facilitate the international trade supply chain. It also provided a platform for participants to share their experiences of implementing NII technology and analyzing different cases on X-ray image.

Regional Intelligence Liaison Office (RILO)

The Department continued to maintain a close contact with the RILO in the A/P region (RILO A/P). Since the relocation of the base of the RILO A/P to Beijing on 1 January 2004, the Department has been rendering support to the RILO A/P by deploying an officer to work as an intelligence analyst at the Beijing office.

Through the RILO A/P, the Department exchanged intelligence with other Customs administrations in both the A/P region and other regions for follow-up investigations on cases of transnational Customs offences.

Supported by Customs administrations in the A/P region, including the Department, three major projects of the RILO A/P, namely "Project Crocodile", "Project Sky-hole-Patching" and "Drugs Seizures Immediate Notification Systems", were taken forward with excellent results in 2009.

Asia Pacific Economic Co-operation (APEC)

In the year of 2009, the Department participated actively in various APEC meetings and events, including giving presentation on Customs related issues respectively at the Sub-Committee on Customs Procedures (SCCP) Meetings in Singapore, at the APEC ABAC Seminar on Trading Across Borders in Wellington, New Zealand, at the APEC Customs-Business Dialogue and at the Intellectual Property Experts Group Meeting in Singapore.

In the second SCCP Meeting held in Singapore in August 2009, the Department volunteered to be a member of the Friends of the Chair (FOTC) Group 2010. FOTC members provide support to the incoming SCCP Chair in identifying some achievable single-year goals for endorsement at the first SCCP meeting to be held in the following year.

Co-operation with other Customs Administrations

Through regular bilateral meetings, the Department has enhanced mutual co-operation with the Mainland, Macao Special Administrative Region and other Customs administrations by establishing strong exchange networks for combating transnational crimes. In 2009, the following co-operation meetings were held with other Customs administrations:

Overseas Customs Administrations

- **The 28th Customs Co-operation Conference with Korea Customs Service (November 2009) in Jeju, Korea**

Between 1 and 4 November 2009, the Commissioner of Customs and Excise led a 4-member delegation to attend the 28th Customs Co-operation Conference with Korea Customs Service in Jeju, Korea. The meeting reviewed co-operation arrangements between the two Administrations in past years, updated each other on the recent strategic and technological developments, and discussed issues of mutual and regional concern.



The Commissioner of Customs and Excise, Mr Richard Yuen (left) and the Commissioner of Korea Customs Service, Mr Yongsuk HUR exchanged agreed minutes during the 28th Customs Co-operation Conference in Jeju, Korea.

Mainland and Macao Customs

- **The 27th Annual Meeting with Macao Customs Service (May 2009) in Macao**

On 22 May 2009, the Commissioner of Customs and Excise led a 8-member delegation to attend the 27th Annual Meeting with Macao Customs Service in Macao. During the meeting, the latest developments of the two sides were introduced and matters of mutual concern were also discussed.

- **The 2009 Annual Review Meeting with the Guangdong Sub-Customs Administration (October 2009) in Hong Kong**

Between 14 and 16 October 2009, Mr LU Bin, Vice Minister of the General Administration of Customs (GAC) of the PRC cum Director General of Guangdong Sub-Customs Administration (中華人民共和國海關總署副署長兼廣東分署主任呂濱) led a 7-member delegation to attend the Annual Review Meeting between the Guangdong Sub-Customs Administration and Hong Kong Customs (粵港海關業務聯繫年度會議) in Hong Kong. The two Customs Administrations discussed and reviewed at great lengths on the co-operation on



various fronts over the past year, and endorsed the Co-operation Plan between the two Administrations to be implemented in the following year.

The Commissioner of Customs and Excise, Mr Richard Yuen (right) and Vice Minister of the General Administration of Customs of the PRC cum Director General of Guangdong Sub-Customs Administration, Mr LU Bin (left) chaired the 2009 Annual Review Meeting with the Guangdong Sub-Customs Administration.

- **The 2009 Annual Review Meeting with the General Administration of Customs (December 2009) in Beijing**

Between 13 and 15 December 2009, the Commissioner of Customs and Excise led a 9-member delegation to attend the Annual Review Meeting between the GAC and Hong Kong Customs (海關總署與香港海關業務聯繫年度會議) in Beijing. The GAC's 9-member delegation was led by Mr SHENG Guangzu,

Minister of GAC, PRC (中華人民共和國海關總署署長盛光祖). This is the tenth annual review meeting between the two Administrations since the signing of the Customs Co-operative Arrangement in 2000. During the meeting, the two Administrations reviewed the results of co-operation in 2009, and discussed on its further enhancement in the year ahead. A Co-operation Plan was endorsed by both parties for the year 2010.



The 2009 Annual Review Meeting between the GAC and Hong Kong Customs, chaired by Minister of the GAC, PRC, Mr SHENG Guangzu and Commissioner of Customs and Excise, Mr Richard Yuen.



Minister Mr SHENG Guangzu (centre, front row) and Commissioner Mr Richard Yuen (third from left, front row) respectively led the Mainland Customs delegation and Hong Kong Customs delegation to attend the 2009 Annual Review Meeting between GAC and Hong Kong Customs in Beijing.

- **Co-operation Work Plan with Guardia di Finanza of Italy**

To further strengthen co-operation and mutual administrative assistance between the Hong Kong Customs and the Italian Customs agency, the Department signed a Work Plan on Co-operation Against Contravention of Customs Laws with the Guardia di Finanza of Italy on 25 March 2009. The conclusion of the Work Plan signified the commitment and determination of both parties in combating transnational smuggling and criminal activities through mutual administrative assistance.



The Commissioner of Customs and Excise, Mr Richard Yuen (right), and the Commander-in-Chief of the Guardia di Finanza of Italy, Lieutenant General Mr Cosimo D'Arrigo (left), signed the Work Plan on Co-operation Against Contravention of Customs Laws in Hong Kong.

11. Information Technology

Since the early 1980s, the Department has been adopting information technology in different areas of Customs works to enhance operational and enforcement efficiency and effectiveness, and to provide a high-quality service to the community.

Information Systems Strategy

In September 2006, the Department commissioned a consultancy study to review its Information Systems Strategy (ISS) of 2003 and to formulate an implementation plan to take forward eleven ISS projects to cope with the existing operational needs and future development. The ISS projects are separated into three groups, viz. Enterprise-wide Infrastructure, Technology Refreshment, and Business Application Systems, having five, two and four projects respectively.

In February 2009, the Department successfully secured funding of HK\$114.157 million from the Finance Committee for implementing the five IT Infrastructure Projects, namely Centralized Data Centre, Network and Server Infrastructure, Central Information Repository System, Secured Communication Gateway and Enterprise System Management, that are planned to be implemented in July 2009 until 2012. Together, they will provide a reliable, secure and scalable IT infrastructure: data centres will be consolidated; an integrated backbone will be constructed; a centralized storage containing operational data will be set up; a secure platform will be provided for electronic communications and a department-wide system management framework will be installed.

The five projects' implementation will tie in with the commissioning of the Customs Headquarters Building (CHB) in 2010 where all the critical IT resources and equipment are housed.

Two Technology Refreshment Projects for replacing the ageing mission-critical IT systems, namely the Air Cargo Clearance System (ACCS) and Case Processing System (CAPS) are in the pipeline. In particular, the technology refreshment of ACCS is scheduled for implementation between 2009 and 2010. Funding of HK\$45.972 million was approved by the Finance Committee in May 2009 for commencing the ACCS Technology Refreshment Project in July 2009. The technology refreshment of CAPS is scheduled for implementation between 2011 and 2012.

Apart from these, there are four Business Application Projects which comprise the Human Resources Management System, Knowledge Management System,

e-Training System and Corporate Asset Management System. As a whole, they aim at enhancing the Department's corporate resources management and e-training. Policy support will be sought from policy bureaux in the forthcoming Resource Allocation Exercise.

Electronic Systems in Trade Facilitation

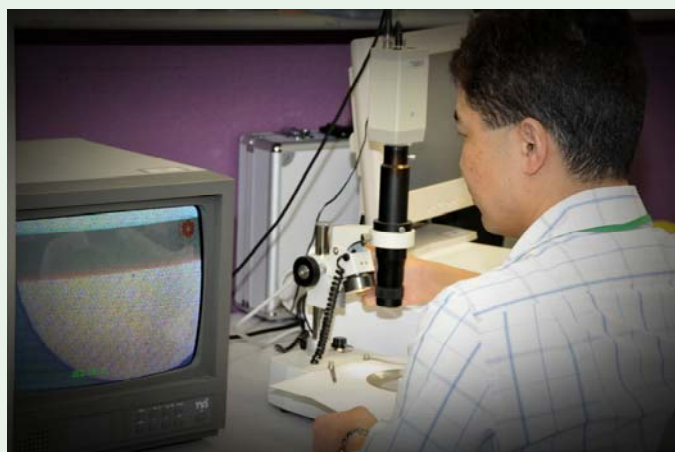
The Department is committed to the facilitation and promotion of e-business via the development of electronic systems for submission of certain trade documents. Mandatory electronic submission of the air, sea and rail manifest has already been in place. The "Road Cargo System" (ROCARS) for submitting and processing advance electronic road cargo information will be fully implemented in mid 2010.

Computer Facilities for New Control Points and Customs Facilities

The Department is actively involved in the preparation for the provision of computer facilities and IT equipment to support the Customs' operation at SkyPier II, Cathay Pacific Cargo Terminal, Cruise Terminal, Hong Kong-Shenzhen-Guangzhou Express Railway Link, Hong Kong-Zhuhai-Macao Bridge and Liantang/Heung Yuen Wai Boundary Control Point. It is expected that the new control points and customs facilities will be commissioned for operation between 2010 and mid 2018.

Computer Forensic Laboratory (CFL)

The rapid development of IT not only enhances the efficiency of operations at work, but also avails opportunities for offenders to exploit in perpetration of crimes. Preservation and collection of digital evidence become essential in the investigation of computer related customs offences. In 2000, the Department set up the Computer Forensic Laboratory (CFL) and established the Computer Analysis and Response Team to assist frontline investigators in the back-end analysis of digital evidence and to stand in court for substantiating the prosecution.



An officer examining forensic objects in the Computer Forensic Laboratory.

In 2006, the CFL was accredited with two international standards, i.e. ISO 9001 on Quality Management and ISO 27001 on Information Security and has successfully established a set of standards to meet the accreditation requirements and maintained high integrity and professional status. The CFL of the Department was the first among all Government computer forensic laboratories awarded with the two international certificates.

Since its establishment in 2000, the CFL, currently staffed by four trained officers, has processed a total of 423 cases involving 455 computers and 772 optical disc replicating machines, 73 mobile phones, 133 SIM cards and 579 memory cards. The majority were infringing optical disc replication and Internet piracy cases. Other types of cases included money laundering, drug trafficking, smuggling, false trade description and revenue fraud.

Smart Warrant Card Management System

On 1 July 2008, the Department launched the Smart Warrant Card Management System (SWCMS), which applies digital and smart card technology to our warrant cards. The objective was to enhance the Department's security and public image.



Customs New Smart Warrant Card introduced on 1 July 2008.

The SWCMS is extendible to other value-added applications, such as for better firearms control in 2009. The technology will be further capitalized on for access control at the forthcoming CHB upon its commissioning in 2010.

Firearms Controls Management System

The Department implemented the computerized Firearms Controls Management System (FCMS) for the effective management of firearms and ammunition in 2009.

The FCMS helps to maintain accurate and up-to-date inventory and movement records of firearms and ammunition, as well as comprehensive information on officers' suitability to carry various types of firearms. The System effectively guards against issue of firearms to unsuitable officers and helps to generate useful management reports for analysis purposes.

12. Management Services and Development

Office of Service Quality and Management Audit

The Office of Service Quality and Management Audit (OQA) is specifically tasked to conduct review and inspection on various management systems of the Department, aiming at enhancing the quality of services provided by various major formations and ensuring their compliance with laid down policies, rules and procedures. OQA also assists in other significant management projects on an ad hoc basis.

In recognition of its professionalism and capability, OQA has been awarded the ISO 9001:2000 Certificate for Quality Management System since April 2005. This is a great achievement for OQA as the Certificate is the first of its kind ever obtained in the Department. To ensure strict conformity to the Quality Management System, OQA is subject to external audit by the ISO recognized auditors every year and OQA has successfully passed the 2009 audit exercise with the certificate upgraded to the ISO 9001:2008 status.

In setting its annual business plan and job priority, OQA adopts a partnership approach by close collaboration with major formations. In the beginning of each financial year, a Service Quality Projects Consultative Meeting chaired by the Deputy Commissioner is held with all branch heads and heads of major formations to discuss the work proposals and determine the deliverables of OQA for the year. This co-operative mechanism has proved to function smoothly as it can enable the pooling of ideas from major formations for fruitful and constructive discussions as well as helping OQA to set out and prioritize its annual work plan.

In 2008 and 2009, OQA completed a series of studies focusing on the enhancement of operational efficacy as well as streamlining of operational systems and procedures. Major ones included the reviews on the handling of detained/seized articles in exhibit stores, private car clearance at land boundary control points, and firearms training and test system for Service members. Others in progress are the establishment reviews on investigation and surveillance teams, passenger and cargo clearance which are aimed for better utilization of resource and setting up of standard manning scales for long-term development in future.

Office of Strategic Research

To support the Department in its pursuance of excellence as a progressive and forward-looking customs organization, the Office of Strategic Research (OSR) plays an important role in providing the directorate with research and strategic support on issues that affect the shaping of the Department's business direction and policies in

medium or a longer term. OSR conducts focused studies and proactive analysis, and translates its findings into practical ideas that facilitate management decision-making and formulation of the Department's priorities and strategies for its sustained competitiveness.

OSR launched a strategic study on Hong Kong's capability of implementing the SAFE Framework of Standards (SAFE FoS) to Secure and Facilitate Global Trade, a set of principles and standards adopted by the World Customs Organization for enhancing supply chain security and facilitating international trade. Specifically, the Office assessed the feasibility of introducing an "Authorized Economic Operator" (AEO) programme to promote Customs-to-business partnership in Hong Kong, as a move to implementing the SAFE standards. In 2009, the Office devised a framework for the Hong Kong AEO programme and planned to launch an AEO pilot in mid 2010 to test the AEO arrangements under the SAFE Framework.

It remains OSR's on-going function to constantly survey the Customs' operating environment and provide strategic recommendations on issues that may impact the Department's performance and capacity to deliver its services. It also monitors regularly the Department's performance in achieving its committed business objectives and service targets.

13. Planning and Development

New Control Points under Planning

To support Hong Kong's continued economic development and meet the demand of passengers and cross boundary trade and business, a number of infrastructural projects are being planned which will have an impact on the provision of Customs services. These projects include:

- Guangzhou-Shenzhen-Hong Kong Express Rail Link
- Hong Kong-Zhuhai-Macao Bridge
- Liantang / Heung Yuen Wai Boundary Control Point
- Cathay Pacific Cargo Terminal
- Ocean Terminal
- Cruise Terminal

Guangzhou-Shenzhen-Hong Kong Express Rail Link (XRL)

Construction of the XRL will commence in the first quarter of 2010 for the earliest completion in 2015. The XRL provides intercity train services from West Kowloon in Hong Kong to Futian and Longhua in Shenzhen, Humen in Dongguan and Shibi in Guangzhou as well as high speed long-haul train services between West Kowloon and various major cities in the Mainland.

The two termini of XRL will be located at West Kowloon in Hong Kong and Shibi in Guangzhou. The proposed alignment for the Hong Kong section of XRL runs wholly in a 26-km long underground tunnel from the West Kowloon terminus to join the Mainland section at the boundary at Huanggang. The total journey time will be 48 minutes from West Kowloon to Shibi and 14 minutes from West Kowloon to Futian.

Hong Kong-Zhuhai-Macao Bridge (HZMB)

The planning and design work of HZMB is vigorously pursued. It is planned that the construction of HZMB will commence not later than 2010 so as to strive for an early completion of the project in 2015-16. The HZMB will be strategically important to the further economic development of Hong Kong, Macao and the Western Pearl River Delta region.

The HZMB will start from the artificial islands off Gongbei and Macao to the eastern artificial island west of the Hong Kong Special Administrative Region boundary. It will be a 29.6 km dual-3-lane carriageway in the form of a bridge-cum-tunnel structure running across major navigation channels in the Pearl River Estuary. The Boundary

Crossing Facilities (BCF) of each government will be set up within their own respective territories. With the completion of the HZMB, the Western PRD will fall within a reachable 3-hour commuting radius of Hong Kong.

Liantang / Heung Yuen Wai Boundary Control Point (LT/HYW BCP)

The new BCP, which is expected to be operational in 2018, is of strategic importance to support Hong Kong's long-term economic growth. It will also help redistributing the cross-boundary traffic amongst the crossings in the east and alleviate the frequent congestion at the existing land boundary crossings.

The LT/HYW BCP would adopt the "separate-location model" and "2-storey concept" design with a footprint of about 18 hectares on Hong Kong side. Facilities for goods vehicles and public transport interchange are all located at the ground level. The upper level will serve passengers as well as private cars and coaches. The distance between the passengers' immigration kiosks and customs checkpoints of the two sides will be minimized through an integrated passenger hall across the Shenzhen River.

Cathay Pacific Cargo Terminal

In March 2008, the Airport Authority Hong Kong awarded a non-exclusive 20-year franchise to the Cathay Pacific Services Limited, a wholly owned subsidiary of Cathay Pacific Airways Limited, to design, construct and operate a new cargo terminal in the



Design of the Cathay Pacific Cargo Terminal

Hong Kong International Airport. The new cargo handling facilities will be located on a 10-hectare site in the cargo terminal area. The expected handling capacity of the new cargo terminal is 2.6 million tones per annum.

Ocean Terminal

The current lease for Ocean Terminal will expire in 2012. Permanent customs facilities will be set up in the new Ocean Terminal for provision of customs clearance services to cruise passengers.



Ocean Terminal

Cruise Terminal

The Cruise Terminal project aims to develop Hong Kong into a leading regional cruise hub through the construction of a world-class cruise terminal with state-of-the-art facilities.

The Cruise Terminal will be located at the southern end of the former airport runway in Kai Tak. It will have two berths with a single multi-storey terminal building. The terminal will support the concurrent berthing and disembarking/boarding of one



Design of the Cruise Terminal

post-Panamax cruise ship and one super post-Panamax cruise ship, or possibly two or more post-Panamax cruise ships. The expected passenger throughput is 1.44 million per annum by 2020.

The first berth is expected to commence operation in mid 2013 with temporary facilities, pending completion of the full-fledged cruise terminal building in 2014-15.

The Customs Headquarters Building (CHB)

The CHB which is located at 222 Java Road, North Point will commence for use by the end of 2010. This building carrying a net operational office area of 26 608 square metres will accommodate 23 administrative and investigation formations which are currently distributed over the whole territories.

The CHB will provide additional office areas and new facilities such as an indoor firing range, a multi-purpose auditorium, an exhibition gallery, a customer service centre and a media briefing room.

The building will contribute to enhancing the operational efficiency of the Department by co-locating its offices together. It will also improve the security measures of the investigation formations to support safe processing of cases, seizures and arrestees. It will as well improve the Department's public services by centralizing customer services at one point.



Design of the New Customs Headquarters Building

14. Administration

Human Resources Management

The Department's human resources management programme aims at strengthening the capabilities of staff in achieving the Department's mission and in delivering business results in a more efficient and effective manner. The Department continued to intensify its management effectiveness through enhancing its human resources management regime and benchmarking with international and local best practices. In the main, the Department implemented the Customs Professionalization initiative, which aims to reengineer the posting policy and to vitalize the training mechanism by a more structured training analysis and development strategy. The Departmental Training Steering Committee employed a new training and development policy to provide systematic training opportunities to staff, equipping them with necessary knowledge and skills for enhancing their working capabilities and professionalism at different stages of their career.

Performance management is an integral part of a comprehensive human resources strategy. In line with the guidelines formulated by the Civil Service Bureau in 2009, the Department has been actively involved in reviewing the performance management system (PMS), in an effort to enhance the overall effectiveness and productivity through helping staff to maximize their potential. The revised PMS is scheduled for implementation in 2010.

New Posting Arrangements under the Customs Professionalization Initiative

The Customs Professionalization initiative is targeted at staff of the Inspectorate and Customs Officer Grade. Through the new Staff Development Programme, structured post rotation will be arranged and training opportunities preset for officers undergoing the Foundation Stage, Career Development Stage and Professional Enhancement Stage. Postings of officers during these stages of career are structured into four work streams, namely (i) Cargo Processing, (ii) Passenger Processing, (iii) Intelligence & Investigation and (iv) Administration, Excise & Operational Support. The objective is to maximize their exposure at appropriate juncture of career for retention of expertise and development of staff potential.

Implementation of the Grade Structure Review

Pursuant to the Chief Executive-in-Council's approval of the recommendations made in the Grade Structure Review, the Department implemented some new measures in relation to the pay and conditions of service for the disciplined grades in 2009. The major measures included the reduction of the conditioned hours for officers of

Customs and Excise Service from 51 to 48 hours per week, the introduction of incremental jumps for Inspector and Customs Officer on completion of five years of service (for Customs Officer) or five and eight years of service (for Inspector), subject to passing the promotion qualifying examination, and the addition of two long service increments for the Customs Officer rank.

Centennial Anniversary Celebration

To celebrate its centenary after a century of dedicated service to Hong Kong, the Department launched a series of celebratory activities in 2009, including the co-production with Radio Television Hong Kong of a television documentary drama “The Story of Customs”, publication of a commemorative book “Hong Kong Customs – A Centenary History”, issue of commemorative stamps, and

hosting of the Customs Centennial Exhibition, Customs Centennial Cocktail Reception and Centennial Gala Day.



The Chief Executive Mr Donald Tsang (fourth from left), the Commissioner of Customs and Excise Mr Richard Yuen (third from right) and former commissioners officiate at the ceremony for the Centennial Cocktail Reception.



Director of Broadcasting, Mr WONG Wah-kay, together with other officiating guests and principal actors photographed at the Launching Ceremony of the television drama “The Story of Customs”.



The centennial publication – “Hong Kong Customs – A Centenary History”.



The Customs Centennial Gala Day at Customs and Excise Training School in December 2009.

Promotion of Staff Integrity and "Healthy Lifestyle"

The Department is always committed to maintaining a responsible and reliable workforce. To cultivate a strong culture of professional ethic and probity among staff, the Department has launched a series of educational and publicity campaigns on staff integrity and healthy lifestyle in the past two years.

In 2009, on the educational front, the Department continued to work closely with the Independent Commission Against Corruption to reinforce integrity awareness through seminars and workshops. The seminars for senior officers focused on leadership by example to nourish the culture of integrity in the work place, while the workshops for junior staff aimed to instill the need to guard against pitfalls of corruption and misbehaviour.

The Department revised the Code on Conduct and Discipline and published the 5th Edition in May 2009 in order to cope with the latest development in integrity management and the rising public expectations. The amendments of the revised Code were highlighted in the quarterly newsletter "*The Pine*" to further instill the value of good discipline and integrity.

On the publicity front, the Department organized three departmental seminars on "Stress Management in Workplace and Building up of Caring Colleague Culture" in January and February 2009 to heighten staff awareness on mental health. Medical and mental health professionals were invited to deliver talks on stress and emotion management.

To further promote the caring colleague culture, the Department launched a campaign named "Showing Your Heart" in early 2009 to encourage staff to show care and concern to their colleagues through publishing their consolation remarks and notes of encouragement in "*The Pine*". The "Care Express" exercise launched in mid July 2009 further enhanced the awareness of staff and their family members on healthy lifestyle through information packs mailed to their residential addresses.

Welfare, Sports and Recreation

The Staff Relations Group (SRG) manages 1 629 departmental quarters, two holiday houses and one physical fitness room. Through the Departmental Sports and Recreation Club, it also organizes over 200 sports and recreational events including charitable activities and inter-command competitions for participation by staff and their families.

To safeguard the well-being of its staff, the Department has in place a comprehensive health and welfare management system to look after colleagues in respective formations. In 2009, 82 officers in various commands were designated Health and



Swimming Gala 2009

Welfare Managers. In addition to conducting periodic welfare visits, they acted as contact points for officers in need of assistance on welfare, health or job-related matters.

Apart from in-house assistance, the Department has also commissioned the Christian Family Service Centre to provide counselling services for individual officers and their family members, including a 24-hour telephone hotline for instant counselling and face-to-face counselling by professional social workers. The agency also provides training sessions to Health and Welfare Managers on counselling skills and knowledge.

Information and Publicity

The Information Unit is responsible for the Department's media relations, publicity, publications, and public relations activities aiming at explaining to the public the work of the Department and enhancing the Department's public image.

In line with the government's open policy, the Unit makes full use of the mass media, in particular newspapers, television and radio stations, to disseminate information on the Department's activities by means of press releases, press conferences, briefings and interviews as well as press visits.

In view of the media interest in Customs' enforcement efforts on various fronts (such as in curbing copyright piracy, drug trafficking, smuggling, use of illicit fuel, contraband cigarette activities and illegal transshipment of textiles, in ensuring children's products safety and in enhancing consumer protection), officers from various formations frequently give press briefings after making major seizures and successful operations.

In 2009, the Unit handled over 11 800 enquiries from the press and television and radio stations. Apart from issuing 138 press releases relating to seizures and arrests, consumer goods safety, successful prosecutions and departmental policies, the Unit also arranged a total of 51 media interviews, and 37 press conferences and media briefings to explain various aspects of the Department's work in 2009.

15. Training

Training and Development

To sustain the professionalism and expertise of its staff and to develop them throughout their careers, the Department took significant efforts on staff training and development. It basically pursues a competency-based strategy which is, where appropriate, supplemented by personal development programmes for individual staff.

Office of Training and Development

The Office of Training and Development (OTD) of the Administration and Human Resource Development Branch is responsible for organizing or co-ordinating training and development programmes for members of the Customs and Excise Service as well as the Trade Controls Grade officers. It also implements training policies determined by the Department's Training Steering Committee, which is chaired by the Deputy Commissioner. In brief, it is responsible for cross-formation training and development while individual major formations are responsible for organizing formation-specific training.

Training and Development Activities

The Department formulates its human resources development strategies on the basis of the competency requirements of its staff who are tasked to fulfil specific departmental functions. OTD organized a wide range of training programmes in 2009 to enhance the core competencies and functional competencies of officers (Appendix 13). Training and development activities were principally designed in accordance with the training roadmap for officers at individual grades and ranks.

For benchmarking international best practices and providing officers with exposure opportunities, the Department sent 122 officers to attend different training and attachment programmes hosted by academic institutions, customs organizations and law enforcement administrations in the Mainland and overseas in 2009.

Language Proficiency

The increases in passenger flow between Hong Kong and the Mainland and the business contact between the Department and various government organizations on the Mainland require officers at various levels to be proficient in Putonghua. The Department organized Putonghua courses at three different levels (elementary,

intermediate and advanced) for all mid-ranking officers and above. It also tailor-made job-related Putonghua courses for frontline officers.

Personal Development of Staff

For gearing up staff for advancement, the Department actively implements a schematic development arrangement whereby senior and mid-level managers are systematically developed through a designated training roadmap. In 2009, 6 senior officers were sent to renowned overseas training institutes, and 15 officers attended executive training or visits on the Mainland.

Continuous Learning and Development

The Department attaches great importance to promote the culture of continuous learning and development. The Department adopts a multi-faceted training approach that aims to enhance the operational knowledge and personal growth of its staff in order to meet the ever-changing enforcement environment and rising public expectation to Customs services. In addition to organizing conventional classroom-type training, the Department encourages e-Learning through the launching of the Customs and Excise Information Portal (CEIP) in January 2008. Staff can learn the latest information about the Department from the portal through the Internet anytime and anywhere. CEIP not only facilitates staff's self-learning at their own paces, but also enhances the spread of knowledge. At present, there are about 578 documents of different categories such as operational procedures, significant cases, healthy life style, etc. in the portal. To further enhance the communication between the Department and staff, CEIP is undergoing a revamp. Amongst many new features, it will provide a user-friendly platform for all staff unions and various sports and recreation clubs to upload their latest news and development onto the portal.

The Department also collaborates with the Civil Service Training and Development Institute in delivering e-Learning courseware through the Cyber Learning Centre Plus. The existing 13 coursewares encompass different job-related topics including Code on Conduct and Discipline, Prudent Financial Management, Safety Measures in Conducting Ship Rummaging, Vehicle Search and Operation of X-ray Scanners.

As a driving force for continuous development, the Department also holds annual Promotion Qualifying Examinations for Inspectors and Customs Officers. This is one of the measures taken in sustaining the high level of customs professionalism. So far, 446 Inspectors and 1 767 Customs Officers have passed the examinations.

Regional Training Centre of the World Customs Organization (WCO)

As one of the WCO Regional Training Centres in the Asia Pacific Region, the Department supports WCO regionalization approach of capacity building and regularly organizes training programmes in the region. In December 2009, Hong Kong Customs has hosted a Regional Workshop on X-ray Scanner Image Analysis for Customs administrations in the region.

Staff of the Department actively participated in capacity building meetings and seminars organized by the WCO Secretariat and will continue to organize regional training activities to fulfil its obligations as a Regional Training Centre.

Mutual Training Assistance

Sharing of invaluable expertise among counterparts in the global customs community is one of the ways to build up professionalism. In many of the co-operation agreements established with other Customs administrations, the Department has fostered a framework whereby mutual training assistance is to be provided to each other whenever possible. In 2009, the Department sent 65 officers to attend training and attachments to other Customs administrations. It also provided training of various kinds to 4 visiting customs officers.

Occupational Safety and Health

Our Department is committed to providing a safe and healthy working environment for our staff and adopting a holistic framework on safety management system. In 2009, a number of tailor-made courses such as “Basic Risk Assessment”, “Safety Inspection” as well as “Basic Occupational Health” were provided to our officers so as to equip them with the knowledge to identify and eliminate potential risks at work and to develop the safety management system of the Department.

Prosecution-related training

For the sake of enhancing officers’ professionalism in case preparation and prosecution matters, a series of prosecution-related training were organized in 2009. These included talks on fundamental case processing techniques and experience sharing sessions with frontline officers on the preparation of case bundle. Court Prosecutors/Public Prosecutors of Department of Justice were also invited to deliver seminars on court’s requirements and to conduct an in-depth analysis and deliberation on the legal provisions enforced by the Department.

Cultural Sensitivity Programme: Talks on East Asian Countries and Self-learning Package

In order to enhance officers' awareness towards cultural diversity of air passengers coming from different countries, especially during the time of the 2009 EAG, the Airport Command organized a series of cultural sensitivity programme for its frontline officers at the Airport. During the year, representatives of the participating regions of the EAG, including Democratic People's Republic of Korea, Guam, Japan and Mongolia, were invited to deliver cultural sensitivity talks of their respective regions to our frontline officers. Through these activities, frontline officers could enhance their ability in communication and improve the overall Customs service. In 2009, an e-learning kit on cultural sensitivity covering 4 European countries, namely Spain, the Netherlands, Germany and France, was prepared under the cultural sensitivity programme. With the information, officers can learn more about the cultural



backgrounds of the said countries and therefore enhance the techniques in dealing with visitors coming from these countries.

Mr Masaki Kawano, Japanese Customs Attaché in Hong Kong, delivered a cultural sensitivity talk for the officers of Airport Command.

16. Financial Administration

Revenue

The Department collected HK\$7,492 million of revenue in 2008-09, representing a decrease of 12.3 % against that for 2007-08. The decrease in revenue was mainly attributable to the decrease in duty revenue due to the removal of duty rate for Euro V diesel and liquor with alcoholic strength of not more than 30 % in 2008.

The Department collected HK\$7,861 million of revenue in 2009-10, representing an increase of 4.9 % against that for 2008-09. The increase in revenue was mainly attributable to the increase in duty rate for tobacco by 50 % in late February 2009.

A summary of the revenue collected in 2008-09 and 2009-10 is at Appendix 8.

Expenditure

The total expenditure of the Department in 2008-09 amounted to HK\$2,288 million, of which 79.5 % was on Personal Emoluments, 19.2 % on Departmental Expenses and 1.3 % on Capital Account Expenditure. The increase in expenditure of 11.5 % over that for 2007-08 is mainly due to the impact of the 2008 pay rise, the creation of new posts, increase in operating expenses for new facilities and the increase in cash flow requirements for capital account items.

The total expenditure of the Department in 2009-10 amounted to HK\$2,409 million, of which 77.5 % was on Personal Emoluments, 18.2 % on Departmental Expenses and 4.3 % on Capital Account Expenditure. The increase in expenditure of 5.2 % over that for 2008-09 is mainly due to the impact of Grade Structure Reviews, full-year effect of vacancies filled in 2008-09 and the increase in cash flow requirements for capital account items, partly offset by the 2009 pay reduction.

A summary of the total expenditure in 2008-09 and 2009-10 is at Appendix 9.

The Department's actual expenditure by programme area is distributed as follows:

	2008-09	2009-10
	HK\$M	HK\$M
(a) Control and Enforcement	1,582	1,704
(b) Anti-narcotics Investigation	133	140
(c) Intellectual Property Rights and Consumer Protection	233	264
(d) Revenue Protection and Collection	127	130
(e) Trade Controls	213	171

Seizure Management

The provision of service for the storage and disposal of seized goods is one of the major tasks of the Department. The total average storage space available for accommodating seized goods and vehicles in government storehouses and private godowns were 73 670 sq.m. and 6 520 cu.m. respectively in 2009-10.

After forfeiture, the seized goods are disposed of by auction or destruction. The Department disposed of about 46 296 items of confiscated goods in 2009-10, which included cigarettes, optical discs, drugs, fuel oil, computer equipment, vessels and vehicles. The proceeds from the sale of these forfeited goods during the period amounted to about HK\$7.9 million.

17. Criminal Prosecution

While a large proportion of Customs resources are engaged in criminal operations and investigations into illegal activities on various fronts, the Department takes criminal prosecution equally seriously, as it aims at bringing the offenders to justice for the crimes they committed. Essentially, successful prosecution can be seen as the finishing touch, which makes all the painstaking efforts of the enforcement officers in the frontline worth the while.

The Department prosecuted 5 461 cases, of which 2 253 (41%) were related to the Dutiable Commodities Ordinance, 807 (15%) related to the Copyright Ordinance, 641 (12%) related to the Trade Descriptions Ordinance and 1 760 (32%) concerned other ordinances in 2009. A total of 5 032 persons and 427 companies were prosecuted, which resulted in total fines upon offenders of HK\$18.8 million and the imposition of immediate imprisonment in 1 347 cases.

Recent Developments

New Legislation

To enhance the enforcement capacity against smuggling by high-powered speedboats, the Import and Export (Amendment) Ordinance 2009 was enacted and took effect on 24 December 2009. Under the new law, vessels of less than 250 gross tons mounted with one or more outboard engines with total power exceeding 168 kilowatts (i.e. 225 horsepower) could be presumed of being construed or used for the purpose of smuggling under section 14A of the Import and Export Ordinance (Cap. 60). Such amendment expands the boundary of presumption which greatly facilitates the prosecution of sea smuggling cases.

The Trade Descriptions (Amendment) Ordinance 2008 and the eight pieces of new subsidiary legislation made under the Trade Descriptions Ordinance, Cap 362 became effective on 2 March 2009. The new provisions seek to enhance consumer protection by (i) expanding the scope of trade descriptions subject to regulatory control; (ii) defining some terms or expressions and regulating the use of them in relation to certain precious metals and stones; and (iii) requiring mandatory disclosure of some prescribed information for certain specified consumer goods. Under the legislation, consumers are protected from dishonest sales practices, such as misleading price information. Retailers selling specified products are required to provide prescribed product information on sales invoices.

New Judgment

In March 2009, the Court of Appeal handed down the judgment of *HKSAR v Abdallah Anwar Abbas [CACC 304/2008]* which supplemented the sentencing guidelines of heroin and cocaine in *R v Lau Tak-ming & others [1990] 2 HKLR 370* in relation to the category of “very large quantities” (above 600 grammes). The judgment also remarked that there would be aggravating factor(s) calling for enhancement of the starting points for sentencing where appropriate.

In *HKSAR v WONG Hon-sun [FACC 1/2009]* heard in July 2009, the Court of Final Appeal ruled that forfeiture proceedings are civil in character. While the Commissioner of the Customs and Excise bears the onus to prove the seized articles are liable to forfeiture, it is the responsibility of the claimant to satisfy the court, on the balance of probabilities, that the articles should be returned to him conditionally or unconditionally. This binding judgment from the highest court gives a clear indication on the responsibilities of concerned parties in forfeiture proceedings.

Revised Prosecution Guidelines

The Department of Justice (DoJ) had, among other things, revised the “Statement of Prosecution Policy and Practice” and issued the “Manual on Disclosure” in 2009, to provide an up-to-date and across the board reference for all prosecutors and officers of the law enforcement agencies on the latest prosecution policy and the best practices in significant legal areas.

Prosecution Summary

2009 was an eventful year for the Customs and Excise Department with the successful prosecution and conviction of 4 706 persons and 395 companies. Major and interesting cases included:

Trials

Intellectual Property Right Case

On 27 July 2009, the presiding judge in the District Court convicted all ten defendants of a significant infringing optical discs case after a lengthy trial of 116 days. The case involved seizures valued at HK\$1.2 million and crime proceeds of HK\$12.7 million. The defendants were charged with six copyright-related offences and another two offences under the Organized and Serious Crimes Ordinance (OSCO) for dealing with the piracy syndicate’s proceeds. As the case involved well-planned and organized

criminal activities, the Prosecution had successfully applied for an enhancement of sentence under the OSCO. The defendants were sentenced to imprisonment ranging from 11.7 to 74 months, which was a record sentence in similar cases. (CTF/1/1107/07)

Dangerous Drug Case

On 30 October 2009, an outgoing Hong Kong male was convicted on his own plea for two counts of offences in relation to controlled chemicals and sentenced to 4 years' imprisonment. The substance involved was 2.7 kilograms of a solid containing pseudoephedrine, a chemical precursor, which was fit for the manufacturing of methamphetamine hydrochloride (ICE). The case was the first of its kind tried in the District Court that the judge imposed a greater punishment on the defendant to send a deterrent sentence to traffickers/couriers. (CID/2/62/08)

Dutiable Commodities Case

On 12 June 2009 at the District Court, three defendants, being the directors of a licensed liquor importer company, were convicted on their own plea for one count of "Conspiracy to defraud" and sentenced to 2 years' imprisonment respectively. This was a sophisticated valuation fraud case involving under-declaration of wine prices amounted to HK\$11 million and the forgery of documents to evade duty payable estimated at HK\$4 million. (CDC/2/1/07)

Weights and Measures Case

On 5 November 2009 at Fanling Magistrates' Courts, a scrap trader was convicted on his own plea for one count of "Using for trade or possessing for use for trade defective weighing or measuring equipment" and was fined at HK\$15,000. It was the heaviest penalty imposed in similar cases. The manipulated platform scale was confiscated by the court. (CPB/MM/0414/08)

Review

First Registration Tax Case

On 23 December 2009, on application by the Prosecution, the Magistrate reviewed his sentence in an evasion of first registration tax case and revised the fines awarded to a motor vehicle importing and distributing company from a total of HK\$9,000 to HK\$57,000. The revised sentence which exceeded the amount of the total tax evaded helped impose a prominent deterrence against unlawful benefits through illegal trading in the motor market. (CDC/9/13/09)

Forfeiture Proceedings

Apart from prosecuting the criminals, the Department would also pursue the forfeiture of the articles, vehicles or vessels used in connection with the offences, where appropriate. Upon the application by the Department, the Court would exercise its unfettered judicial discretion to decide if the seized items are liable to forfeiture and should or should not be forfeited having regard to all circumstances of the case. The forfeiture proceedings plays a significant function in furthering the objects of the statutes concerned. In 2009, 313 forfeiture cases were handled by the Department as compared to 440 in 2008. Goods worth HK\$52.4 million were forfeited by the courts, as compared to the 2008 figure of HK\$101.6 million. Among various types of seizures, 6 vessels, 56 vehicles and other hot smuggling items such as electrical and electronic goods, computer and accessories, and garments were forfeited.

Prosecution in Figures

Please refer to Appendix 14, 15 and 16.

Cooperation with Department of Justice

To further enhance the communication and foster a closer cooperation with the DoJ, officers of the Service Prosecution Group (SPG) of the Office of Prosecution and Management Support attended the Departmental Prosecutors' Meeting chaired by the Director of Public Prosecutions, paid courtesy calls to judges and liaison visits to the Prosecutors' Office in the Magistrates' Courts and joined meetings with the Judiciary on the enhancement of the Case and Summons Management System.

To strengthen the professionalism and keep update the legal knowledge of Customs officers, Senior Public Prosecutors and Senior Court Prosecutors were invited to deliver legal seminars to the frontline officers on the interpretation and application of essential ordinances enforced by the Department and on the preparation of case papers and giving evidence in court.

Chronicle

2009

January 2009

- Seized 3.7 kilograms of cocaine with a retail value of HK\$3.1 million inside the false compartment of the baggage of a passenger arriving from South America via Europe.

February 2009

- Secured funding of HK\$114.157 million from the Finance Committee for implementing the five IT Infrastructure Projects.
- Raided 4 retail stores and a storage centre involving in trading counterfeit soy sauce and canned abalone, led to the seizure of 339 cans of soy sauce and canned abalone worth about HK\$75,000 and the arrest of 8 persons.
- Seized a total of 38 000 numbers of counterfeit mobile phone accessories with a value of HK\$724,000 from two outbound cargo shipments at the Hong Kong International Airport (the Airport).



In February 2009, APC officers intercepted two export consignments. Upon examination, 38,000 numbers of counterfeit mobile phone accessories with a value of HK\$724,000 were found inside 66 cartons.

- Seized 4.7 kilograms of heroin with a retail value of HK\$3.6 million smuggled by internal concealment in 3 cases at the Airport.
- With information provided by the Department, Japan Customs arrested 1 person in Japan for importing 1 kilogram of methamphetamine.

March 2009

- Seized 536 grams of methamphetamine with a retail value of HK\$302,840 and arrested an incoming local passenger at Lo Wu Control Point.
- Signed Work Plan on Co-operation Against Contravention of Customs Laws with the Guardia di Finanza of Italy.
- Seized 41 kilograms of herbal leaves containing cathinone and cathine with a retail value of HK\$60,000 with 1 person arrested as a result of cooperation with the Mainland authorities.



41 kilograms of herbal leaves containing cathinone and cathine were seized.

- Concluded joint operation “Sky Axe” with Shenzhen Customs, which led to the seizure of 2.5 kilograms of methamphetamine and the arrest of 12 persons in the Mainland and Hong Kong.
- With information provided by the Department, New Zealand Customs arrested 2 persons in New Zealand for importing 4 kilograms of pseudoephedrine.

April 2009

- Seized 386 grams of ketamine with a retail value of HK\$47,092 and arrested an incoming local passenger at Lok Ma Chau Spur Line Control Point.
- Seized 5 kilograms of cannabis buds with a retail value of HK\$452,493 concealed inside the false compartment of a cross-boundary vehicle from the Mainland at Shenzhen Bay Control Point.
- Seized 2.8 kilograms of cocaine with a retail value of HK\$4 million sandwiched in the six plastic poster boards as a result of international cooperation with German Customs.



2.8 kilograms of cocaine with a retail value of HK\$4 million sandwiched in the six plastic poster boards.

- Seized 10 kilograms of methamphetamine with a retail value of HK\$7.6 million inside the baggage of passengers on board of a cross-boundary vehicle from the Mainland at Lok Ma Chau Control Point.

May 2009

- Secured funding of HK\$45.972 million from the Finance Committee for implementing the ACCS Technology Refreshment Project.
- Seized 2 kilograms of heroin with a retail value of HK\$1.202 million and arrested an incoming Pakistan passenger at Hong Kong Island - Macau Ferry Terminal.
- Mounted a territory-wide operation against counterfeit clothing. Seven retail shops and 2 counterfeit goods storage were raided. A total of 19 863 counterfeit clothing items at a value of HK\$1.38 million were seized and 13 persons were arrested.
- Seized a total of 3.5 kilograms of cocaine with a retail value of HK\$3 million at the Airport and arrested 1 person arriving from Santiago, Chile via Paris, France who planned to transit to Macau.
- With information provided by the Department, Indonesia Customs arrested 3 persons in Indonesia for importing 2.1 kilograms of methamphetamine.

June 2009

- Seized 3.15 kilograms of ketamine with a retail value of HK\$364,866 and arrested an incoming local passenger at Lo Wu Control Point.
- Effected the first “top-site” case in Asia that an international piracy syndicate using high-speed Internet servers (generally called “top-site”) to distribute copyright-infringing items, including movies, music, computer programmes and video game software was uncovered. The syndicate’s setup in Hong Kong for distributing pirated items was smashed.
- A total of 300 live Testudo with a value of HK\$240,000 were seized from two cargo shipments from Singapore and Thailand respectively.



Detection of smuggling of Testudo (endangered tortoise species) from air consignments.



- Seized 1.5 kilograms of heroin with a retail value of HK\$1.1 million concealed in clothing buttons found in the check-in baggage of 2 passengers from Vietnam and the Philippines respectively at the Airport.



1.5 kilograms of heroin with a retail value of HK\$1.1 million concealed in clothing buttons.

- Seized 3.1 kilograms of ketamine with a retail value of HK\$365,000 in the baggage of a passenger from the Mainland at Lo Wu Control Point.

July 2009

- Commenced the development of the five IT Infrastructure Projects and the ACCS Technology Refreshment Project.
- Seized 2 kilograms of heroin with a retail value of HK\$1.756 million and arrested an incoming Malaysia passenger at Hong Kong Island - Macau Ferry Terminal. A Nigeria person was arrested in subsequent operations.
- Seized 200 kilograms of ketamine with a retail value of HK\$23 million from an air consignment arriving from India at the Airport.



A significant seizure of 200 kilograms of ketamine was detected in July 2009 at the Hong Kong International Airport.

- Seized 30 kilograms of herbal cannabis with a retail value of HK\$2.7 million in the baggage of 2 passengers arriving from South Africa at the Airport.
- Seized 10 kilograms of cannabis resin with a retail value of HK\$1 million in the baggage of a passenger on board of a cross-boundary vehicle from the Mainland at the Lok Ma Chau Control Point.

- Seized 4 kilograms of methamphetamine with a retail value of HK\$3 million in the baggage of a passenger who was about to depart to the Philippines at the Airport.
- With information provided by the Department, Indonesia Customs arrested 1 person in Indonesia for importing 2.6 kilograms of methamphetamine.

August 2009

- Seized 2.03 kilograms of ketamine with a retail value of HK\$245,495 and arrested an incoming local passenger at Lo Wu Control Point. A local person was arrested in subsequent operations with further seizure of 47.2 grams of ketamine with a retail value of HK\$5,711.
- Mounted an operation against counterfeiting activities and swoop down two counterfeit goods showrooms in Mong Kok and Yau Ma Tei. The trick of sending visitors to counterfeit goods showroom by means of taxi to avoid Customs detection was uncovered. The operation led to the seizure of 3 000 pieces of counterfeit goods worth about \$700,000 and the arrest of 1 woman.
- Seized 3 kilograms of ketamine with a retail value of HK\$365,000 in the false compartment of a cross-boundary vehicle from the Mainland at the Lok Ma Chau Control Point.
- Seized 3 kilograms of cocaine with a retail value of HK\$3 million, which were absorbed in clothing items, from the baggage carried by an air passenger arriving from Peru via South Africa.



3 kilograms of cocaine were seized from clothing soaked with cocaine solution.

- Seized 5.5 kilograms of cocaine with a retail value of HK\$4.8 million from the false compartment of the baggage carried by an air passenger arriving from Argentina via South Africa.

- Seized 2.7 kilograms of pseudoephedrine with a retail value of HK\$4.8 million packed as a dough-like substance in various sizes which were found concealed inside a toy robot in an air consignment from the Mainland.



2.7 kilograms of pseudoephedrine were seized inside a toy robot in an incoming air consignment.

- With information provided by the Department, New Zealand Customs arrested 1 person in New Zealand for importing 3.3 kilograms of pseudoephedrine.

September 2009

- Seized 15 kilogram of cocaine with a retail value of HK\$14 million in a local distribution centre in Shatin.
- A significant case of cross-boundary drug trafficking detected at Man Kam To Control Point with a big haul of 139 kilograms of ketamine found inside 23 speaker boxes in the 45' container on board a trailer-truck from the Mainland.
- Acting upon the intelligence provided by the Department, the Australian Customs arrested 2 persons in Australia for importing 1.1 kilograms of methamphetamine.

October 2009

- Held the 21st Administrative Meeting of National Contact Points of Regional Intelligence Liaison Office for Asia and the Pacific in Hong Kong, China.
- Raided 4 retail shops at Sham Shui Po and seized 30 sets of karaoke players with pre-installed infringing songs and movies amounted to HK\$100,000. This was the first time Customs found the sale of karaoke players with pre-installed infringing songs and movies at retail shops in Hong Kong.

- Seized 9 kilograms of ketamine with a retail value of HK\$1 million in a local distribution centre in Fanling.



9 kilograms of ketamine with a retail value of HK\$1 million were seized in a local distribution centre.

- Seized 0.4 kilogram of cocaine with a retail value of HK\$300,000 concealed inside an aluminum roller sent from South America as a result of international cooperation with German Customs.
- Concluded joint operation “Sparkles IV” with Shenzhen Customs, which led to the seizure of 2.7 kilograms and 2 012 tablets of assorted drugs and the arrest of 45 persons in Hong Kong.

November 2009

- Seized 1.04 kilograms of ketamine with a retail value of HK\$120,292 and arrested an incoming local passenger at Lo Wu Control Point.
- Held the WCO Regional Workshop on X-ray Scanner Image Analysis at the Customs and Excise Training School (November – December 2009).
- Mounted an anti-circumvention operation against 21 retail shops in Wan Chai, Mong Kok and Sham Shui Po, and seized 103 circumvented game consoles (largest seizure in an anti-circumvention operation) and arrested 26 persons. The total seizure value was over HK\$200,000.
- With facilitation provided by the Department, the Philippines Customs arrested 1 person in the Philippines for trafficking 2.5 kilograms of cocaine in a joint operation with German Customs.

December 2009

- Three new Customs Sector Patrol Launches (SPL) joined Customs fleet to enhance the anti-smuggling enforcement capability of the Department. These



three modern, maneuverability enhanced and well-equipped SPLs had replaced the three “Damen III” launches that had been in service for more than two decades.

Three newly commissioned Customs Sector Patrol Launches.

- Mounted a large-scale targeted operation against the sale of counterfeits via Internet auction sites. The operation led to the arrest of 19 persons, aged from 18 to 48 and the seizure of 546 assorted counterfeit items, including handbags, wallets, jewellery, sunglasses, clothes, shoes and socks and 14 computers at a total value of HK\$170,000.
- During the 2009 East Asian Games, Hong Kong Customs established a 24-hour Incident Command Centre and fast response teams to step up our enforcement action. To facilitate the Customs clearance of the participating delegations, Designated Channels and Ambassador Team were also set up at the Hong Kong International Airport.



Delegation was passing through the Designated Channel.



- 420 kilograms of tobacco were seized from 35 outbound parcels destined for the United Kingdom at the Air Mail Centre.



Customs officers intercepted 35 numbers of postal parcels destined for UK and seized 420 kilograms of tobacco.



- Seized 7 kilograms of methamphetamine with a retail value of HK\$5 million in a local distribution centre in Tsing Yi.
- Seized 1 kilogram of cocaine with a retail value of HK\$800,000 concealed inside 2 express parcels sent from South America as a result of a joint operation with the US Customs in a transnational controlled delivery.

Appendices



香港海關

CUSTOMS AND EXCISE DEPARTMENT

Organization Chart of the
Customs and Excise Department

截至二零零九年十二月三十一日止
As at 31 December 2009

海關關長
Commissioner



袁銘輝
Richard YUEN Ming-fai

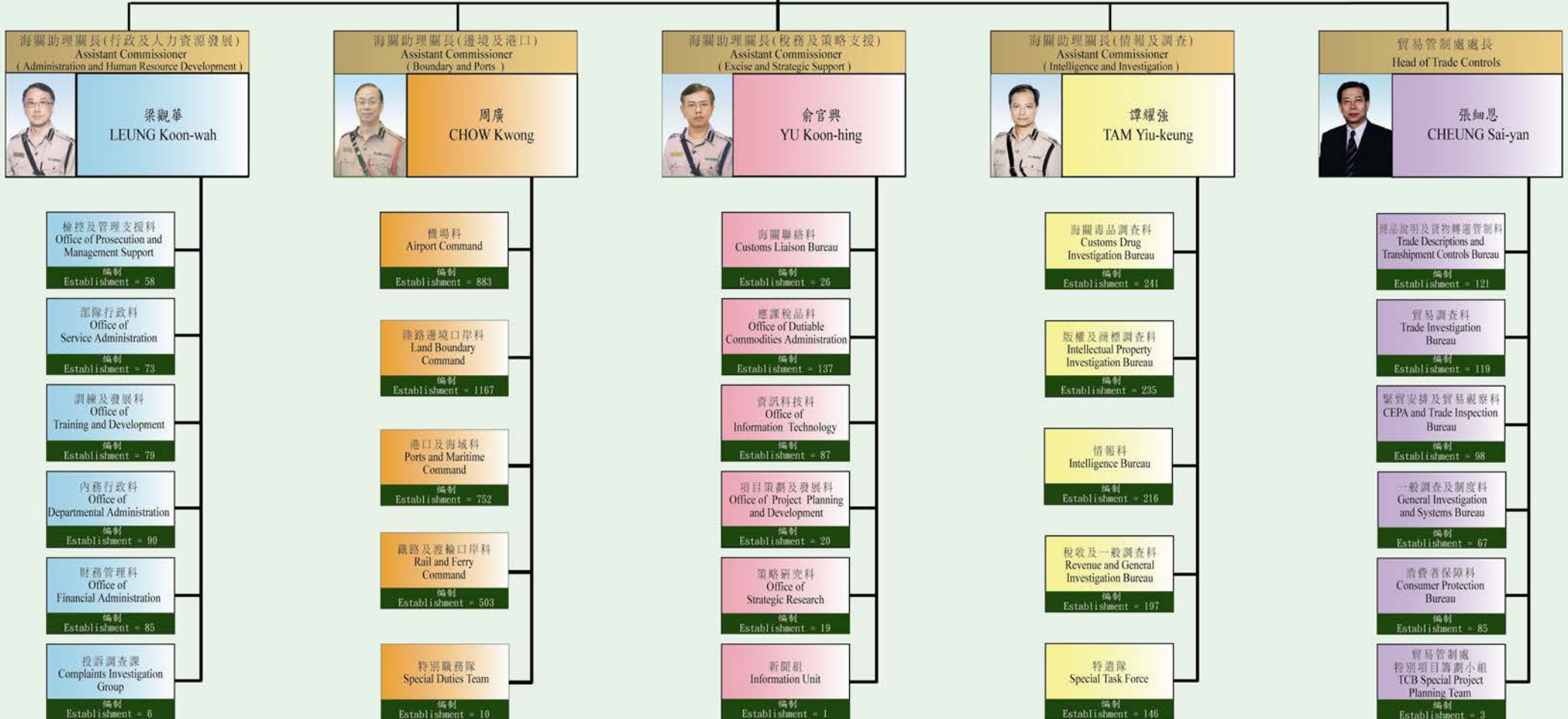
海關副關長
Deputy Commissioner



歐陽可樂
Luke AU YEUNG Ho-lok

服務質素及管理審核科
Office of
Service Quality and
Management Audit
編制
Establishment = 9

內部核數組
Internal Audit Division
編制
Establishment = 5

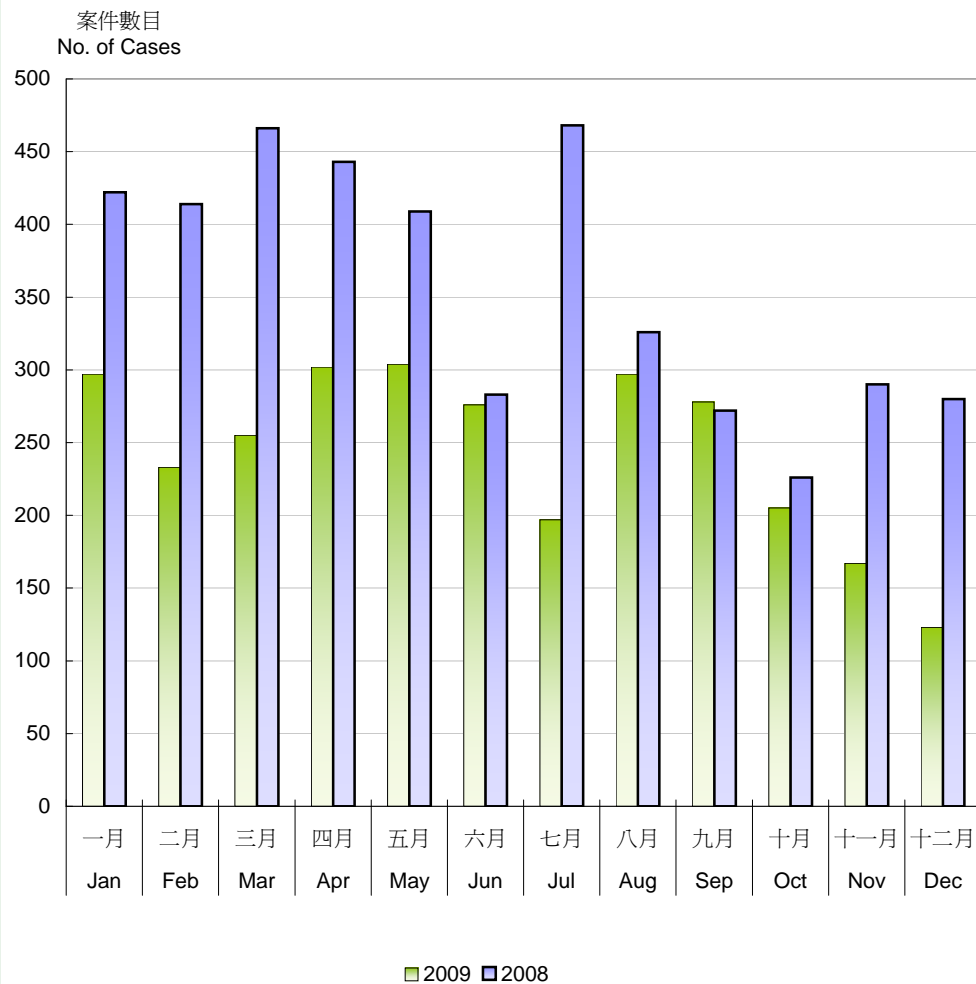


編制及在職人數 Establishment and Strength Position

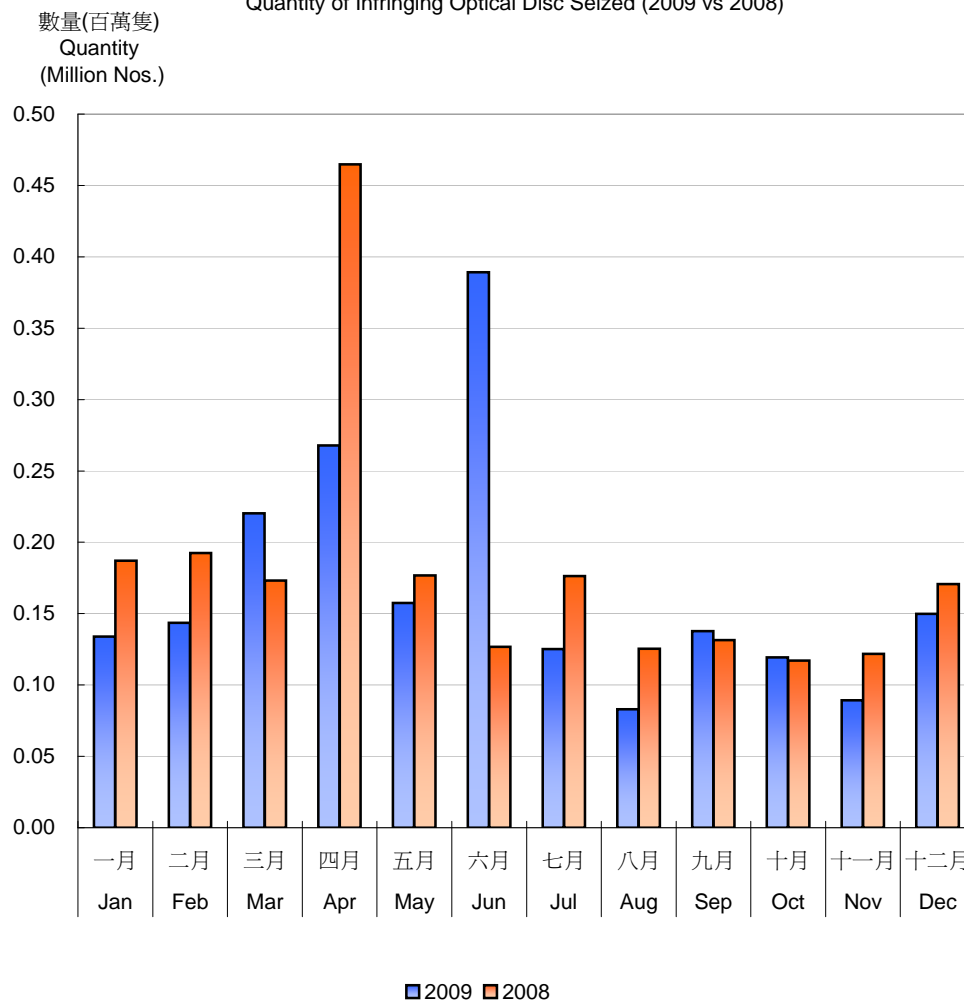
類別/職系 Category/Grade	2008 (截至2008年12月31日止) (as at 31 December 2007)		2009 (截至2009年12月31日止) (as at 31 December 2009)	
	編制 Establishment (數目No.)	在職人數 Strength (數目No.)	編制 Establishment (數目No.)	在職人數 Strength (數目No.)
首長級職位 Directorate Posts	9	11	9	9
部門職系 Departmental Grades				
海關監督/督察職系 Superintendent/Inspector of Customs and Excise Grades	843	810	842	801
關員職系 Customs Officer Grade	3 690	3 594	3 610	3 591
貿易管制主任職系 Trade Controls Officer Grade	459	414	454	403
小計 Sub-total	4 992	4 818	4 906	4 795
一般及共通職系 General and Common Grades				
行政主任/訓練主任職系 Executive Officer/Training Officer Grades	28	26	29	27
庫務會計師/會計主任職系 Treasury Accountant/Accounting Officer Grades	12	12	12	12
法定語文主任/繕校員職系 Official Languages Officer/Calligraphist Grades	18	18	18	18
統計師/統計主任職系 Statistician/Statistical Officer Grades	5	5	5	5
秘書職系 Secretarial Grades	57	54	55	52
文書人員職系 Clerical Grades	261	259	260	258
物料供應人員職系 Supplies Grades	49	41	51	46
其他 Others	208	195	211	199
小計 Sub-total	638	610	641	617
合計 Total	5 639	5 439	5 556	5 421

盜版光碟案件統計數字 Statistics on Infringing Optical Disc Cases

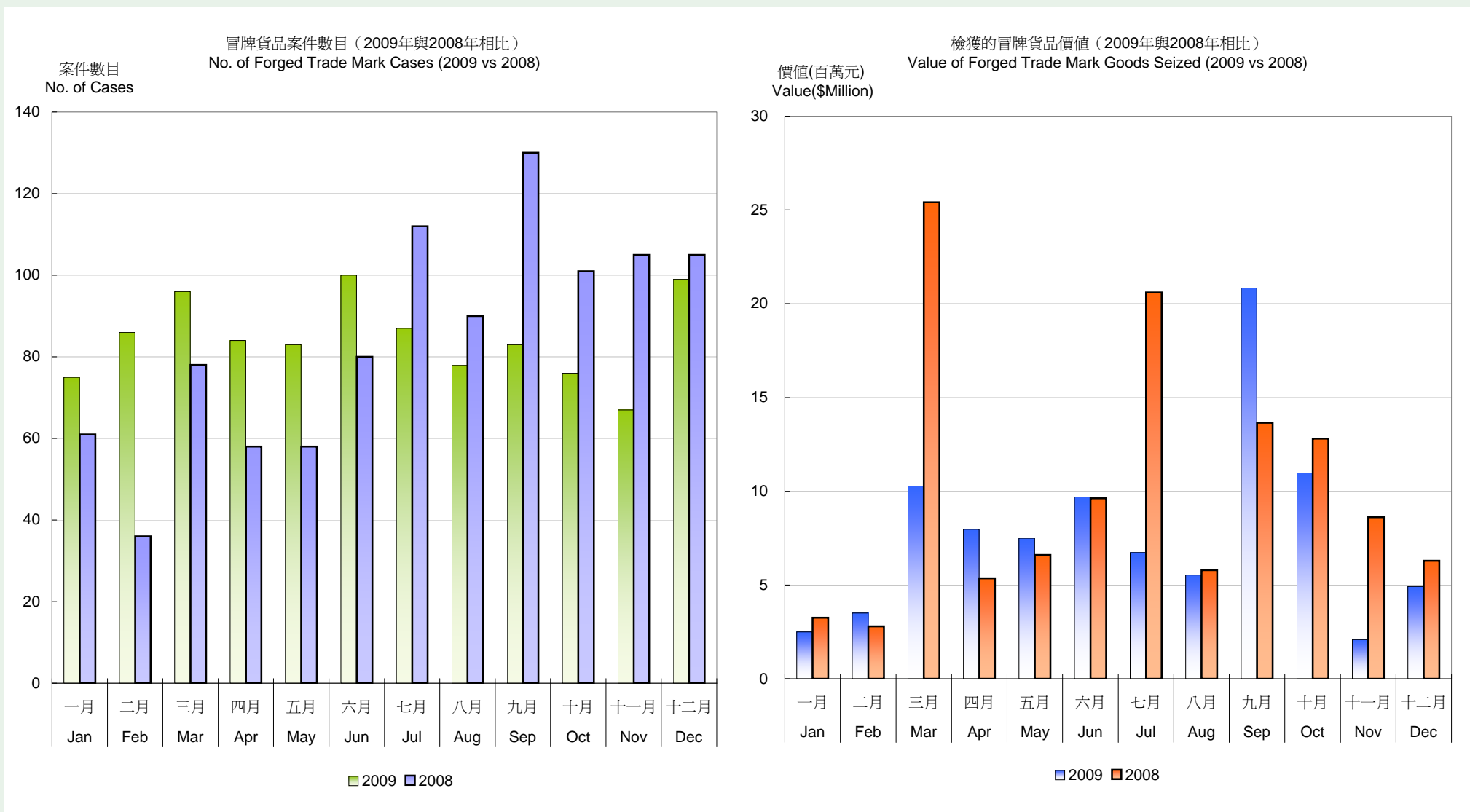
盜版光碟案件數目 (2009年與2008年相比)
No. of Infringing Optical Disc Cases (2009 vs 2008)



檢獲的盜版光碟數量 (2009年與2008年相比)
Quantity of Infringing Optical Disc Seized (2009 vs 2008)

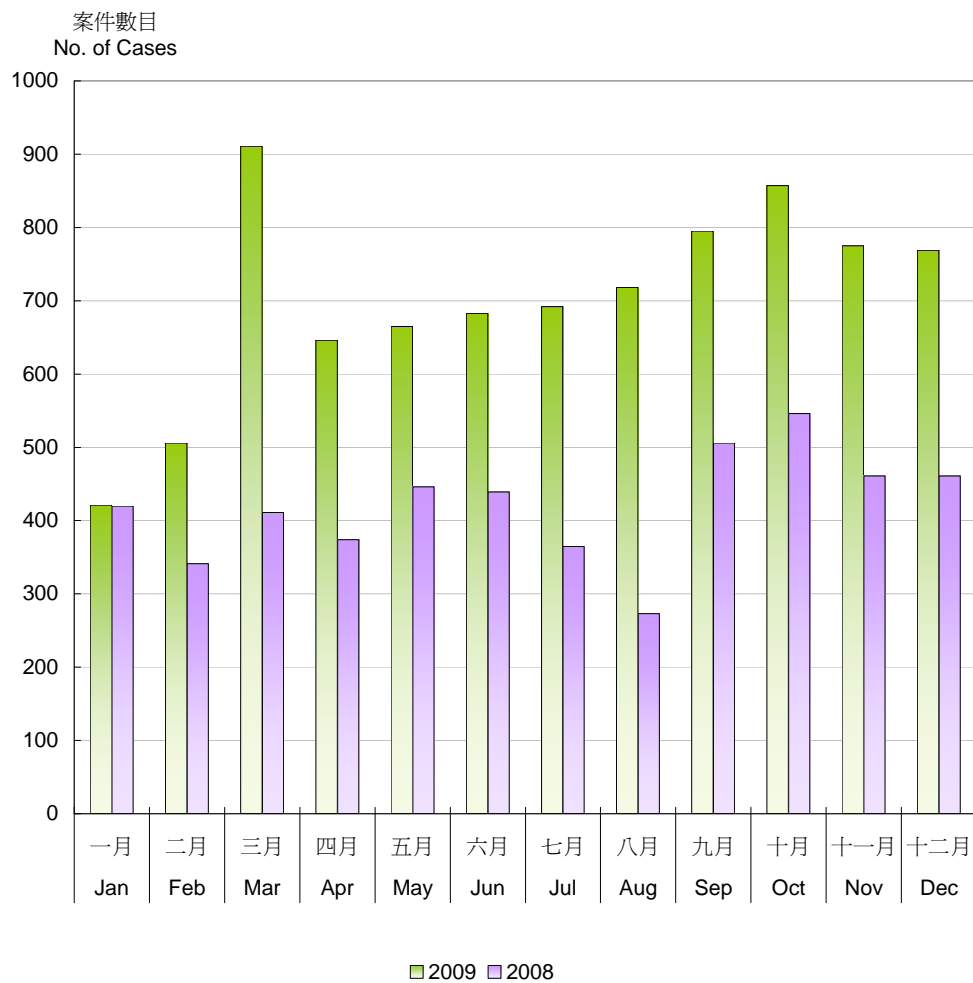


冒牌貨品案件統計數字 Statistics on Forged Trade Mark Cases

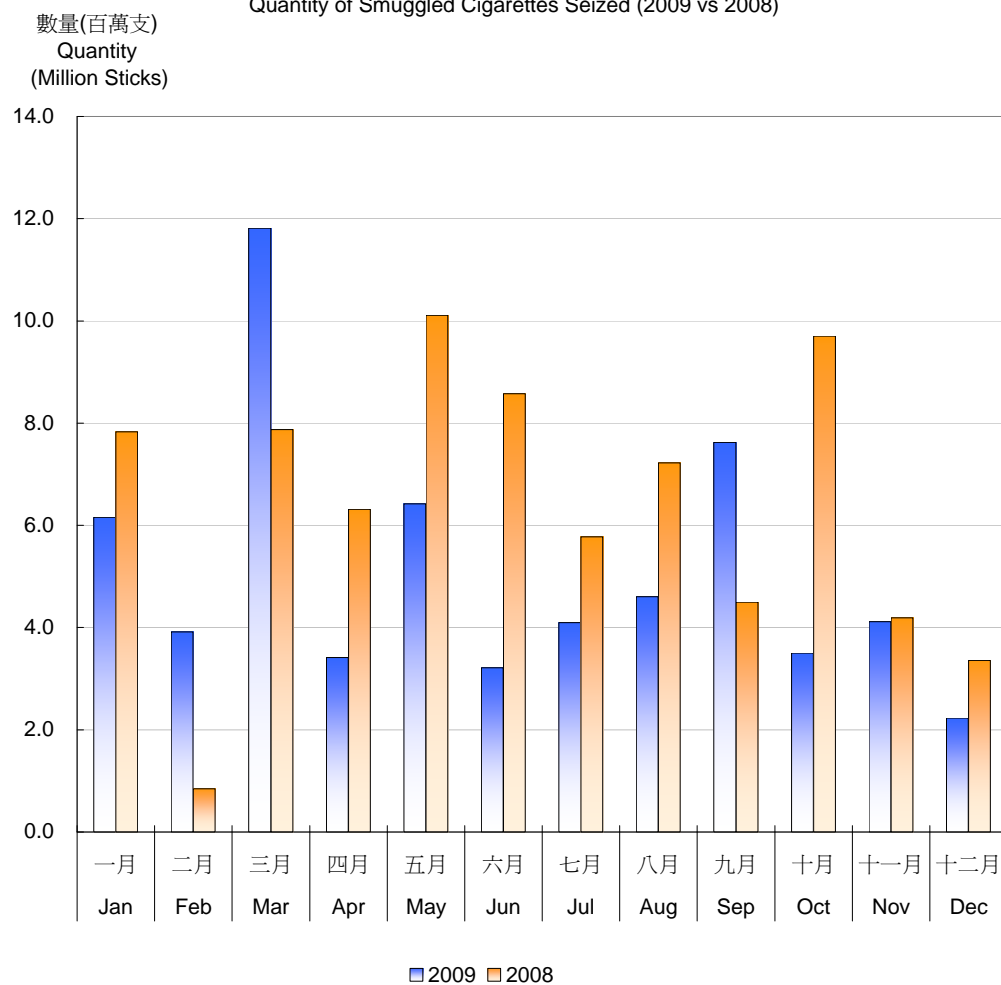


反走私香煙行動的成效 Result of Anti-cigarette Smuggling Operations

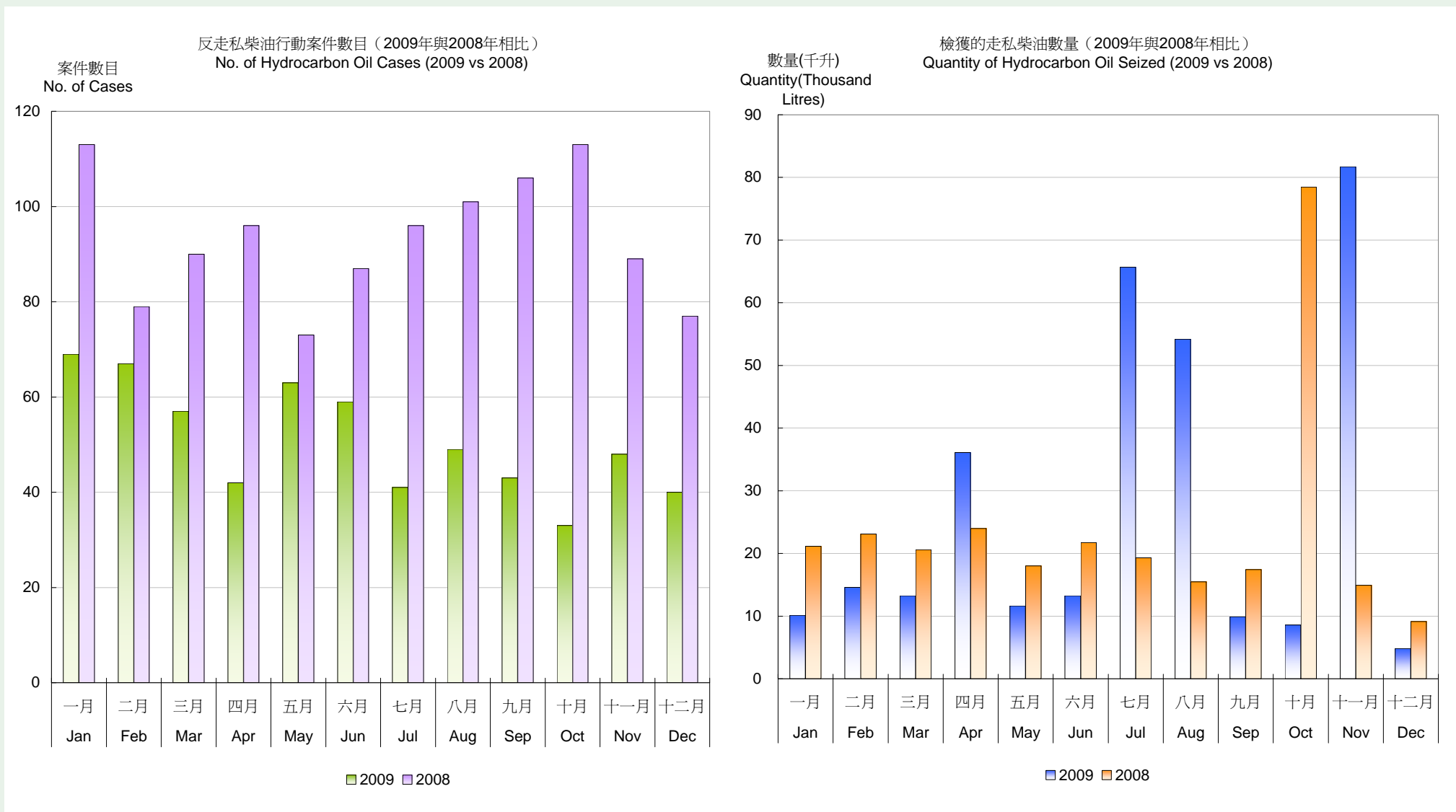
反走私香煙行動案件數目 (2009年與2008年相比)
No. of Cigarette Smuggling Cases (2009 vs 2008)



檢獲的走私香煙數量 (2009年與2008年相比)
Quantity of Smuggled Cigarettes Seized (2009 vs 2008)



反走私柴油行動的成效 Result of Diesel Oil Enforcement Operations



香港海關執行的法例 Legislation under which Customs staff can act

1	《釋義及通則條例》 Interpretation and General Clauses Ordinance	第1章 Cap. 1
2	《進出口條例》 Import and Export Ordinance	第60章 Cap. 60
3	《度量衡條例》 Weights and Measures Ordinance	第68章 Cap. 68
4	《郵政署條例》 Post Office Ordinance	第98章 Cap. 98
5	《電訊條例》 Telecommunications Ordinance	第106章 Cap. 106
6	《應課稅品條例》 Dutiable Commodities Ordinance	第109章 Cap. 109
7	《入境條例》 Immigration Ordinance	第115章 Cap. 115
8	《公共收入保障條例》 Public Revenue Protection Ordinance	第120章 Cap. 120
9	《公眾衛生及市政條例》 Public Health and Municipal Services Ordinance	第132章 Cap. 132
10	《除害劑條例》 Pesticides Ordinance	第133章 Cap. 133
11	《危險藥物條例》 Dangerous Drugs Ordinance	第134章 Cap. 134
12	《抗生素條例》 Antibiotics Ordinance	第137章 Cap. 137
13	《藥劑業及毒藥條例》 Pharmacy and Poisons Ordinance	第138章 Cap. 138
14	《公眾衛生(動物及禽鳥)條例》 Public Health (Animals and Birds) Ordinance	第139章 Cap. 139
15	《化學品管制條例》 Control of Chemicals Ordinance	第145章 Cap. 145
16	《刑事罪行條例》 Crimes Ordinance	第200章 Cap. 200
17	《植物(進口管制及病蟲害控制)條例》 Plant (Importation and Pest Control) Ordinance	第207章 Cap. 207
18	《武器條例》 Weapons Ordinance	第217章 Cap. 217
19	《裁判官條例》 Magistrates Ordinance	第227章 Cap. 227
20	《警隊條例》 Police Force Ordinance	第232章 Cap. 232
21	《火器及彈藥條例》 Firearms and Ammunition Ordinance	第238章 Cap. 238
22	《海魚(統營和輸出)規例》 Marine Fish (Marketing and Exportation) Regulations	第291章 Cap. 291
23	《危險品條例》 Dangerous Goods Ordinance	第295章 Cap. 295
24	《儲備商品條例》 Reserved Commodities Ordinance	第296章 Cap. 296
25	《空氣污染管制條例》 Air Pollution Control Ordinance	第311章 Cap. 311
26	《船舶及港口管制條例》 Shipping and Port Control Ordinance	第313章 Cap. 313
27	《工業訓練(製衣業)條例》 Industrial Training (Clothing Industry) Ordinance	第318章 Cap. 318
28	《非政府簽發產地來源證保障條例》 Protection of Non-Government Certificates of Origin Ordinance	第324章 Cap. 324
29	《汽車(首次登記稅)條例》 Motor Vehicles (First Registration Tax) Ordinance	第330章 Cap. 330
30	《香港海關條例》 Customs and Excise Service Ordinance	第342章 Cap. 342
31	《廢物處置條例》 Waste Disposal Ordinance	第354章 Cap. 354
32	《商品說明條例》 Trade Descriptions Ordinance	第362章 Cap. 362
33	《吸煙(公眾衛生)條例》 Smoking (Public Health) Ordinance	第371章 Cap. 371
34	《淫褻及不雅物品管制條例》 Control of Obscene and Indecent Articles Ordinance	第390章 Cap. 390
35	《保護臭氧層條例》 Ozone Layer Protection Ordinance	第403章 Cap. 403
36	《販毒(追討得益)條例》 Drug Trafficking (Recovery of Proceeds) Ordinance	第405章 Cap. 405
37	《狂犬病條例》 Rabies Ordinance	第421章 Cap. 421
38	《玩具及兒童產品安全條例》 Toys and Children's Products Safety Ordinance	第424章 Cap. 424
39	《有組織及嚴重罪行條例》 Organized and Serious Crimes Ordinance	第455章 Cap. 455
40	《消費品安全條例》 Consumer Goods Safety Ordinance	第456章 Cap. 456
41	《逃犯條例》 Fugitive Offenders Ordinance	第503章 Cap. 503
42	《刑事事宜相互法律協助條例》 Mutual Legal Assistance in Criminal Matters Ordinance	第525章 Cap. 525
43	《大規模毀滅武器(提供服務的管制)條例》 Weapons of Mass Destruction (Control of Provision of Services)	第526章 Cap. 526
44	《版權條例》 Copyright Ordinance	第528章 Cap. 528
45	《聯合國制裁條例》 United Nations Sanctions Ordinance	第537章 Cap. 537
46	《防止盜用版權條例》 Prevention of Copyright Piracy Ordinance	第544章 Cap. 544
47	《商船(本地船隻)條例》 Merchant Shipping (Local Vessels) Ordinance	第548章 Cap. 548
48	《中醫藥條例》 Chinese Medicine Ordinance	第549章 Cap. 549
49	《廣播條例》 Broadcasting Ordinance	第562章 Cap. 562
50	《聯合國(反恐怖主義措施)條例》 United Nations (Anti-Terrorism Measures) Ordinance	第575章 Cap. 575
51	《化學武器(公約)條例》 Chemical Weapons (Convention) Ordinance	第578章 Cap. 578
52	《防止兒童色情物品條例》 Protection of Child Pornography Ordinance	第579章 Cap. 579
53	《保護瀕危動植物物種條例》 Protection of Endangered Species of Animals and Plants Ordinance	第586章 Cap. 586
54	《截取通訊及監察條例》 Interception of Communications and Surveillance Ordinance	第589章 Cap. 589

2008-09年度及2009-10年度實際收入

	實際收入	
	2008-09	2009-10
	HK\$'000	HK\$'000
稅項		
碳氫油類	2,836,130	2,840,951
煙草	2,962,847	3,354,551
含酒精飲品	235,898	256,330
甲醇及其他含酒精產品	11,779	13,045
小計	6,046,654	6,464,877
根據應課稅品條例徵收的各項費用		
牌照費	3,655	3,459
出勤費	273	298
酒精變質費	721	1,237
儲存費	0	0
小計	4,649	4,994
貿易報關費		
進出口報關費	1,263,200	1,235,897
成衣稅服務費(註)	625	317
罰款	137,885	113,001
小計	1,401,710	1,349,215
雜項	38,887	42,361
合計	7,491,900	7,861,447
註： 代製衣業訓練局徵收的成衣業訓練附加稅	5,654	1,190

Actual revenue for 2008-09 and 2009-10

	Actual Revenue	
	2008-09	2009-10
	HK\$'000	HK\$'000
Duties		
Hydrocarbon Oils	2,836,130	2,840,951
Tobacco	2,962,847	3,354,551
Alcoholic Beverages	235,898	256,330
Methyl Alcohol & Other Alcoholic Products	11,779	13,045
Sub-total	6,046,654	6,464,877
Fees charged under Dutiable Commodities Ordinance		
Licence Fees	3,655	3,459
Attendance Fees	273	298
Denaturing Fees	721	1,237
Storage Fees	0	0
Sub-total	4,649	4,994
Trade Declaration Charges		
Imports and Exports Declaration Charges	1,263,200	1,235,897
Clothing Levy Service Charges (see Note)	625	317
Penalties	137,885	113,001
Sub-total	1,401,710	1,349,215
Miscellaneous	38,887	42,361
Total	7,491,900	7,861,447
Note : Clothing Industry Training Levy collected on behalf of the Clothing Industry Training Authority	5,654	1,190

2008-09年度及2009-10年度實際開支

	實際開支	
	2008-09	2009-10
	HK\$'000	HK\$'000
經營帳目		
個人薪酬		
薪金	1,767,910	1,809,428
津貼	45,442	48,576
工作相關津貼	7,345	7,685
小計	1,820,697	1,865,689
其他支出		
與員工有關連的開支	15,124	26,009
酬金及特別服務	7,895	8,969
一般部門開支	370,219	357,594
土地使用費	3,559	3,577
香港海關福利基金補助金	262	263
檢獲物品的管理	41,388	42,905
小計	438,447	439,317
非經營帳目		
機器、車輛及設備	21,681	90,176
小型機器、車輛及設備	7,669	13,400
小計	29,350	103,576
合計	2,288,494	2,408,582

Actual expenditure for 2008-09 and 2009-10

	Actual Expenditure	
	2008-09	2009-10
	HK\$'000	HK\$'000
Operating Account		
Personal Emoluments		
Salaries	1,767,910	1,809,428
Allowances	45,442	48,576
Job-related allowances	7,345	7,685
Sub-total	1,820,697	1,865,689
Other Expenses		
Personnel related expenses	15,124	26,009
Rewards and special services	7,895	8,969
General departmental expenses	370,219	357,594
Land usage cost	3,559	3,577
Grant to the Customs and Excise Service Welfare Fund	262	263
Seizure management	41,388	42,905
Sub-total	438,447	439,317
Capital Account		
Plant, vehicles and equipment	21,681	90,176
Minor plant, vehicles and equipment	7,669	13,400
Sub-total	29,350	103,576
Total	2,288,494	2,408,582

案件統計 (2008年)

條例	案件數目	拘捕人數	檢獲物品 估計總值 (千元)
廣播	1	-	2
消費品安全	36	1	59
化學品管制	6	2	1,496
淫褻及不雅物品管制	41	27	2,726
版權	7 679	987	78,319
刑事罪行	2	1	1,016
香港海關	63	69	5,110
危險藥物	685	648	112,550
危險品	10	17	1,085
應課稅品	25 076	5 220	114,544
火器及彈藥	10	3	1,197
入境	532	651	34,686
進出口	867	483	618,939
有組織及嚴重罪行	8	30	1,164
除害劑	1	-	483
藥劑業及毒藥	34	54	950
植物(進口管制及病蟲害控制)	20	20	2
防止虐畜	3	3	2
保護瀕危動植物物種	123	88	9,349
非政府簽發產地來源證保障	12	1	66
公眾衛生及市政	3 475	2 504	846
公眾衛生(動物及禽鳥)	16	14	198
狂犬病	13	13	30
人事登記	4	4	1
儲備商品	6	-	226
電訊	4	1	308
玩具及兒童產品安全	238	-	13
商品說明	1 824	860	170,602
廢物處置	105	-	8,578
武器	14	4	2
度量衡	118	-	63
其他	44	37	4
所有條例 *	40 165	10 737	1,084,909

* 實際案件數目。一宗案件可能牽涉多於一條法例。因此，法例總和與實際案件數目可能有差異。

Case Statistics (2008)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Broadcasting	1	-	2
Consumer Goods Safety	36	1	59
Control of Chemicals	6	2	1,496
Control of Obscene & Indecent Articles	41	27	2,726
Copyright	7 679	987	78,319
Crimes	2	1	1,016
Customs & Excise Service	63	69	5,110
Dangerous Drugs	685	648	112,550
Dangerous Goods	10	17	1,085
Dutiable Commodities	25 076	5 220	114,544
Firearms & Ammunition	10	3	1,197
Immigration	532	651	34,686
Import & Export	867	483	618,939
Organized & Serious Crimes	8	30	1,164
Pesticides	1	-	483
Pharmacy & Poisons	34	54	950
Plant (Importation & Pest Control)	20	20	2
Prevention of Cruelty to Animals	3	3	2
Protection of ES of Animals & Plants	123	88	9,349
Protection of Non-Govt. Cert. of Origin	12	1	66
Public Health & Municipal Services	3 475	2 504	846
Public Health (Animals & Birds)	16	14	198
Rabies	13	13	30
Registration of Person	4	4	1
Reserved Commodities	6	-	226
Telecommunication	4	1	308
Toys & Children's Products Safety	238	-	13
Trade Descriptions	1 824	860	170,602
Waste Disposal	105	-	8,578
Weapons	14	4	2
Weights & Measures	118	-	63
Other Ordinances	44	37	4
All Ordinances *	40 165	10 737	1,084,909

* Actual total. A case may involve more than one ordinance. Hence, the total of all ordinances cannot add up to the actual total.

案件統計 (2009年)

條例	案件數目	拘捕人數	檢獲物品 估計總值 (千元)
抗生素	3	3	3
消費品安全	30	2	1,991
化學品管制	7	2	196
淫褻及不雅物品管制	22	25	767
版權	6 371	1 108	71,187
香港海關	35	39	5,585
危險藥物	544	490	170,680
危險品	10	19	132
應課稅品	20 039	8 140	118,999
火器及彈藥	22	17	139
氣體安全	1	1	1,896
入境	495	559	18,106
進出口	499	310	466,622
商船(本地船隻)	70	222	43
有組織及嚴重罪行	6	9	2
藥劑業及毒藥	29	28	7,614
植物(進口管制及病蟲害控制)	18	9	57
防止盜用版權	1	1	8
防止虐畜	4	3	252
保護瀕危動植物物種	162	116	15,754
公眾衛生及市政	2 331	2 302	566
公眾衛生(動物及禽鳥)	8	6	127
狂犬病	20	20	41
人事登記	8	8	1
儲備商品	10	2	263
電訊	2	-	64
玩具及兒童產品安全	102	-	103
商品說明	1 698	954	177,920
廢物處置	53	-	3,069
武器	14	8	188
度量衡	181	1	303
其他	41	22	1
所有條例 *	32 041	13 619	941,950

* 實際案件數目。一宗案件可能牽涉多於一條法例。因此，法例總和與實際案件數目可能有差異。

Case Statistics (2009)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Antibiotics	3	3	3
Consumer Goods Safety	30	2	1,991
Control of Chemicals	7	2	196
Control of Obscene & Indecent Articles	22	25	767
Copyright	6 371	1 108	71,187
Customs & Excise Service	35	39	5,585
Dangerous Drugs	544	490	170,680
Dangerous Goods	10	19	132
Dutiable Commodities	20 039	8 140	118,999
Firearms & Ammunition	22	17	139
Gas Safety	1	1	1,896
Immigration	495	559	18,106
Import & Export	499	310	466,622
Merchant Shipping (local vessels)	70	222	43
Organized & Serious Crimes	6	9	2
Pharmacy & Poisons	29	28	7,614
Plant (Importation & Pest Control)	18	9	57
Prevention of Copyright Piracy	1	1	8
Prevention of Cruelty to Animals	4	3	252
Protection of ES of Animals & Plants	162	116	15,754
Public Health & Municipal Services	2 331	2 302	566
Public Health (Animals & Birds)	8	6	127
Rabies	20	20	41
Registration of Person	8	8	1
Reserved Commodities	10	2	263
Telecommunication	2	-	64
Toys & Children's Products Safety	102	-	103
Trade Descriptions	1 698	954	177,920
Waste Disposal	53	-	3,069
Weapons	14	8	188
Weights & Measures	181	1	303
Other Ordinances	41	22	1
All Ordinances *	32 041	13 619	941,950

* Actual total. A case may involve more than one ordinance. Hence, the total of all ordinances cannot add up to the actual total.

主要檢獲物品

條例 主要檢獲物品	2008		2009	
	數量	檢獲物品 估計總值(千元)	數量	檢獲物品 估計總值(千元)
危險藥物				
海洛英 (公斤)	43.3	27,774	38.7	29,512
大麻 (公斤)	79.1	7,545	73.3	7,043
氯胺酮 (公斤)	325.2	37,809	379.4	44,141
可卡因 (公斤)	38.6	27,753	42.1	40,200
甲基安非他明 (冰) (公斤)	14.2	8,488	30.7	22,951
搖頭丸 (片)	3 028	235	1 016	76
其他精神科藥物 (片)	19 956	847	32 494	350
應課稅品⁽¹⁾				
香煙 (千枝)	81 558	123,744	64 677	118,624
其他煙草 (公斤)	1 834	1,439	9 064	18,561
碳氫油類 (千公升)	283	3,611	324	2,581
酒類 (千公升)	25	3,103	9	4,005
進出口				
電視機 (台)	126	112	534	532
汽車 (輛) ⁽²⁾	89	7,355	94	6,410
船隻 / 快艇 (艘)	30	1,350	34	2,211
版權				
光碟 (千隻)	2 164	52,304	2 016	46,384
遊戲盒帶 (盒)	1 169	117	-	-
書刊及印刷品 (件)	1 079	45	276	14
冒牌貨品				
成衣及配件 (件)	165 948	11,105	143 294	11,220
皮革製品 (件)	74 133	14,943	56 482	7,908
手錶及零件 (件)	636 072	33,504	79 607	8,141
鞋類 (對)	21 639	2,781	83 076	8,825
與藥品及醫療 有關 (件)	71 185	3,758	71 417	3,324
電子及電器產品 (件)	1 230 488	47,313	513 220	29,517
其他				
象牙及有關產品 (公斤)	2 711	5,597	645	1,737
炮竹 (公斤)	1	1	43	3
色情光碟/錄影帶 (千件)	85	2,049	17	510
槍械及零件 (件)	3	1	2	7

(1) 包括所有條例

(2) 不包括已拆散/壓縮的汽車及單車。

Major Seized Items

Ordinance Major Seized Item	2008		2009	
	Quantity	Estimated value of seized items(HK\$'000)	Quantity	Estimated value of seized items(HK\$'000)
Dangerous Drugs				
Heroin (kg)	43.3	27,774	38.7	29,512
Cannabis (kg)	79.1	7,545	73.3	7,043
Ketamine (kg)	325.2	37,809	379.4	44,141
Cocaine (kg)	38.6	27,753	42.1	40,200
Methylamphetamine (kg)	14.2	8,488	30.7	22,951
MDMA (tab)	3 028	235	1 016	76
Other psychotropic drugs (tablet)	19 956	847	32 494	350
Dutiable Commodities⁽¹⁾				
Cigarette (mille)	81 558	123,744	64 677	118,624
Other tobacco (kg)	1 834	1,439	9 064	18,561
Hydrocarbon oil ('000 litre)	283	3,611	324	2,581
Liquor ('000 litre)	25	3,103	9	4,005
Import & Export				
Television set (no.)	126	112	534	532
Motor vehicle (no.) ⁽²⁾	89	7,355	94	6,410
Vessel / speedboat (no.)	30	1,350	34	2,211
Copyright				
Optical disc ('000 no.)	2 164	52,304	2 016	46,384
Game cartridge (no.)	1 169	117	-	-
Book and printing material (no.)	1 079	45	276	14
Counterfeit Goods				
Garment and accessories (pc)	165 948	11,105	143 294	11,220
Leather goods (pc)	74 133	14,943	56 482	7,908
Watch and parts (no.)	636 072	33,504	79 607	8,141
Footwear (pair)	21 639	2,781	83 076	8,825
Pharmaceutical & medical related (no.)	71 185	3,758	71 417	3,324
Electronic & electrical goods (no.)	1 230 488	47,313	513 220	29,517
Others				
Ivory & related products (kg)	2 711	5,597	645	1,737
Fireworks (kg)	1	1	43	3
Pornographic optical disc/ video tape ('000 no.)	85	2,049	17	510
Firearms and parts (no.)	3	1	2	7

(1) Include all ordinances

(2) Exclude dismantled/compressed vehicles and bicycles.

截停、搜查和路障截查 Stop & Search of Persons / Vehicles and Road Block Operations

		2008	2009
1. 在出入境管制站 At control points			
(i)	被截查人數 No. of persons stopped and searched	72 410	78 040
(ii)	被搜查車輛數目 No. of vehicles checked	958 745	819 362
2. 路障及路上截查行動 Road Block and Road Check Operations			
(i)	行動次數 No. of operations	259	65
(ii)	被搜查車輛數目 No. of vehicles checked	8 031	957

培訓及發展活動

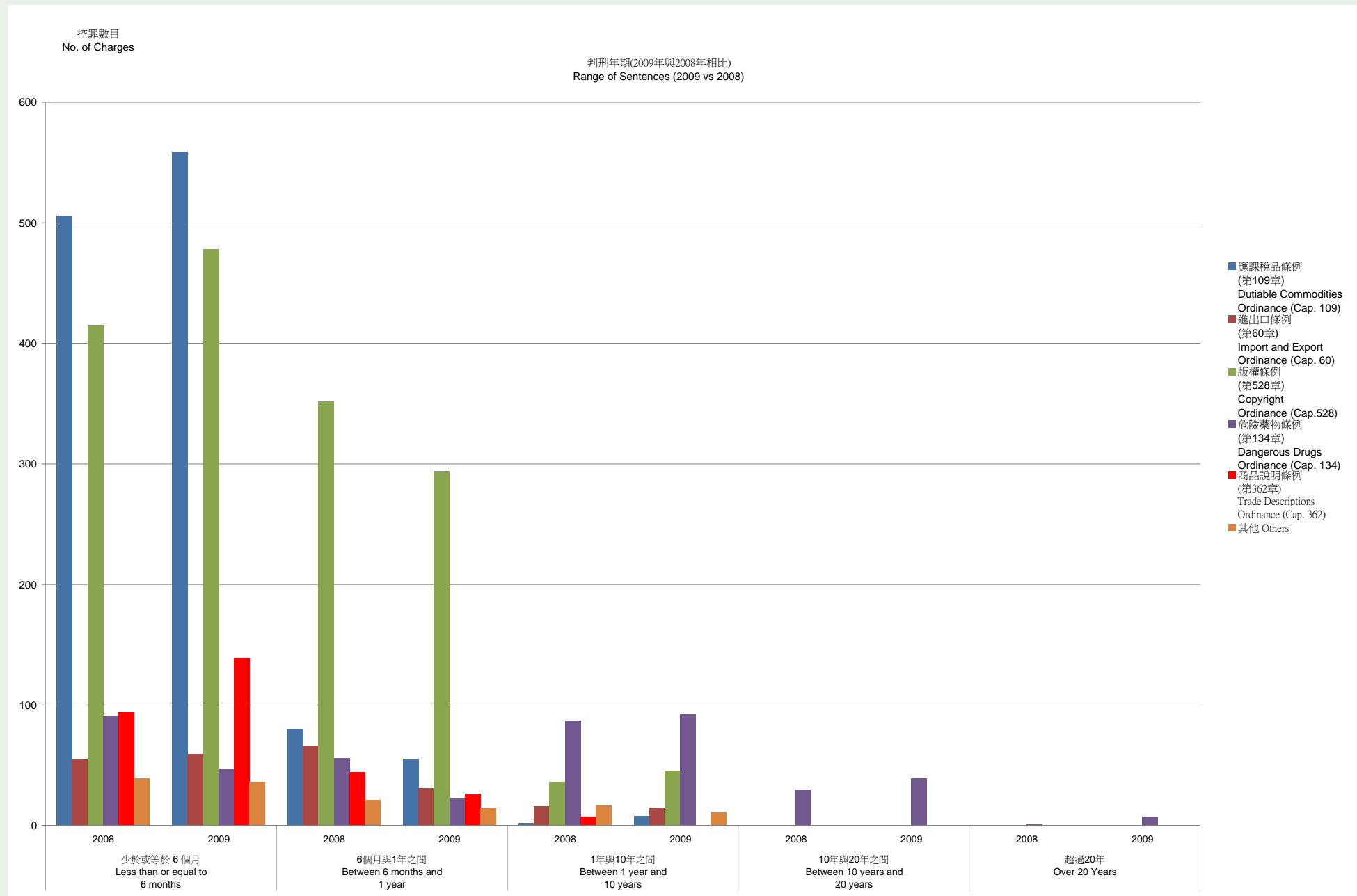
項目	課程數目	
	2008	2009
入職及持續培訓		
入職課程:		
為見習督察提供的入職課程	0	1
為見習關員提供的入職課程	8	4
持續培訓課程:		
為見習督察提供的持續培訓課程	2	3
職責才能		
為海關部隊人員提供的培訓		
旅檢截查控制技巧教官訓練課程	1	0
紀律聆訊培訓課程(檢控員)	1	0
紀律聆訊培訓課程(審裁員)	1	0
經驗分享會(製備案件檔案)	1	0
進出口業務運作教官訓練課程	0	1
紀律聆訊證據法課程	1	0
督察級法律培訓工作坊	1	2
突擊行動技巧課程	5	4
了解平等機會研討會	0	1
錄影會面系統教官訓練課程	1	1
法庭舉證技巧訓練	1	0
旅檢截查控制技巧工作坊	1	0
衝突管理工作坊	2	5
安全視察課程	0	1
基本職業健康課程	0	1
基本風險評估課程	0	1
大額現款走私課程	0	1
線人管理課程	0	1
如何防止報關員作弊個案分析工作坊	0	1
稅務詐騙調查課程	0	1
控方證人法庭作供研討會	0	4
情報及調查課程	0	2
貨物處理課程	0	4
旅客處理課程	0	1
步操教官訓練課程	1	1
槍械及特別設備訓練課程	108	52
使用伸縮警棍訓練		
控制戰略進階訓練		
使用胡椒噴劑訓練		
使用槍械訓練		
遊繩下降管理員訓練課程		
運動攀登訓練課程		
運動攀登教練訓練課程		
靶場管理訓練		
清潔槍械訓練		
HK MP5輕機槍訓練課程		
周年HK MP5輕機槍復修課程		
散彈槍訓練課程		

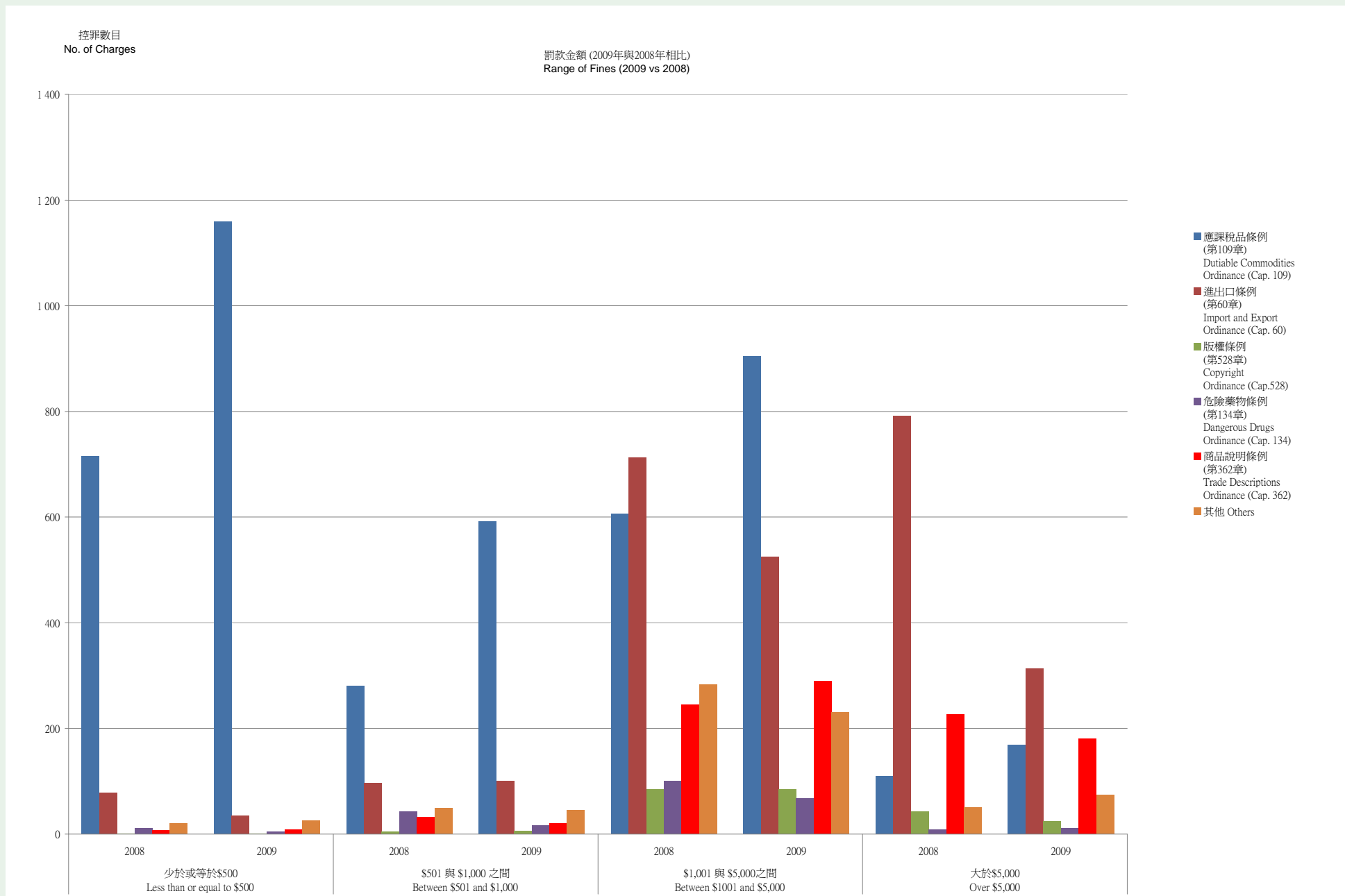
Training and Development Activities

Programme	No. of classes	
	2008	2009
Induction and Continuation		
Induction Course:		
For probationary Inspectors	0	1
For probationary Customs Officers	8	4
Continuation Course:		
For probationary Inspectors	2	3
Functional Competency		
For C&E Service members		
Control Tactics in Passenger Clearance Train-the-Trainer Course	1	0
Departmental Disciplinary Proceedings and Practices: The Prosecuting Officer's Perspective	1	0
Departmental Disciplinary Proceedings and Practices: The Adjudicating Officer's Perspective	1	0
Experience Sharing Session (Preparation of Case Bundle)	1	0
Train-the-Trainer Course on Import & Export Trade Practice	0	1
Law of Evidence for Disciplinary Proceedings	1	0
Legal Training Workshop for Inspectorate Officers	1	2
Raiding Techniques Course	5	4
Seminar of Valuing Diversity in the Workplace	0	1
Train-the-Trainer Course on Video Interview System	1	1
Training Session on "Techniques in Giving Evidence in Court"	1	0
Workshop on Control Tactics in Passenger Clearance	1	0
Workshop on Conflict Management	2	5
Safety Inspection Course	0	1
Basic Occupational Health Course	0	1
Basic Risk Assessment Course	0	1
Bulk Cash Smuggling Course	0	1
Source Management Course	0	1
Customs Declaration Clerk Malpractice Workshop	0	1
Revenue Fraud Investigation Course	0	1
Seminar on Attending Court as Prosecution Witnesses	0	4
Intelligence and Investigation Course	0	2
Cargo Processing Course	0	4
Passenger Processing Course	0	1
Foot Drill Instructor Course	1	1
Firearms and special equipment training courses	108	52
Use of extendible baton		
Advanced control tactics		
Use of Oleoresin Capsicum foam		
Use of firearms		
Abseiling Supervisor Training course		
Sports Climbing Training course		
Sports Climbing Supervisor Training course		
Range Management Course		
Arms Cleaning Course		
HK MP5 Sub-machine Gun Training Course		
Annual HK MP5 Sub-machine Gun Refresher Course		
Shotgun Training Course		

周年散彈槍複修課程		
周年HK 53輕機槍複修課程		
大腿手拔槍袋訓練課程		
大腿手拔槍袋複修課程		
<i>為海關部隊人員及貿易管制主任級人員提供的培訓</i>		
基本調查課程	1	1
<i>為貿易管制主任級人員提供的培訓</i>		
調查技巧課程 - 案件重溫	0	2
錄取口供技巧工作坊	0	7
商業實務知識	5	4
調查技巧-個案分享	2	0
商品說明(修訂)條例複修課程	10	0
管理發展		
<i>為海關部隊人員提供的培訓</i>		
關員級督導課程	2	2
關員發展課程	3	3
持廉守正研討會	3	2
<i>為海關部隊人員及貿易管制主任級人員提供的培訓</i>		
海關指揮課程	1	1
了解平等機會研討會	0	1
<i>為貿易管制主任級人員提供的培訓</i>		
初級管理人員課程	0	1
初級管理人員課程 - 基本管理技巧	0	1
初級管理人員課程 - EQ 顯績效	0	1
初級管理人員課程 - 發揮影響力和談判技巧	0	2
團隊建立及領導才能課程	0	5
團隊建立/個人發展工作坊	0	2
溝通技巧		
<i>為海關部隊人員提供的培訓</i>		
有效溝通技巧工作坊	2	0
為前線人員提供與工作有關的普通話課程	25	0
<i>為海關部隊人員及貿易管制主任級人員提供的培訓</i>		
初級普通話課程	2	1
中級普通話課程	7	0
<i>為貿易管制主任級人員提供的培訓</i>		
簡化字研習課程	3	0
實用普通話課程	1	2
會議應用普通話課程	1	5
為訪港海關人員提供的培訓		
反走私及緝毒培訓課程	1	0
通關監管培訓課程	1	0
海關管理發展課程	0	1

Annual Shotgun Refresher Course		
Annual HK 53 Sub-machine Refresher Course		
Thigh Draw Holster Training Course		
Thigh Draw Holster Refresher Course		
<i>For both C&E Service members and TCOG officers</i>		
Basic Investigation Course	1	1
<i>For TCOG officers</i>		
Refresher Course on Investigation Techniques through Case Studies	0	2
Statement Taking Workshop	0	7
Commercial Knowledge Course	5	4
Investigation Techniques Through Case Studies	2	0
Refresher Course on Trade Descriptions Ordinance (Amendment) 2008	10	0
Management Development		
<i>For C&E Service members</i>		
COG Supervisory Course	2	2
Customs Officer Development Course	3	3
Integrity Awareness Seminar	3	2
<i>For both C&E Service members and TCOG officers</i>		
Customs Command Course	1	1
Valuing Diversity in Workplace	0	1
<i>For TCOG officers</i>		
Management & Personal Development Programme for TCO	0	1
Management & Personal Development Programme for TCO - Fundamental Skills for Junior Managers	0	1
Management & Personal Development Programme for TCO - Performing Through EQ	0	1
Management & Personal Development Programme for TCO - Effective Influence and Negotiation Skills	0	2
Course on Team Building and Leadership	0	5
Team Building/Self Development Workshop	0	2
Communication		
<i>For C&E Service members</i>		
Effective Communication Skills Workshop for Senior Inspectors	2	0
Job-related Putonghua for Frontline Officers	25	0
<i>For both C&E Service members and TCOG officers</i>		
Elementary Putonghua Course	2	1
Intermediate Putonghua Course	7	0
<i>For TCOG officers</i>		
Simplified Chinese Characters Course	3	0
Practical Putonghua Course	1	2
Putonghua in Meeting for TCOG Officers	1	5
Training for Visiting Customs Officials		
Anti-Smuggling and Narcotics Control Course	1	0
Customs Clearance Monitoring Course	1	0
Customs Management Development Course	0	1





與檢控相關的訴訟事項統計數字 Statistics on Court Actions

