



Customs and Excise Department

Departmental Review 2014

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Foreword

In the year 2014, the Department continued to demonstrate the fine tradition of dedication and professionalism, and the achievements in both law enforcement and trade facilitation were encouraging.

The Department detected a total of 255 smuggling cases in 2014, representing a drop of 10% when compared to 2013. Among the cases, 85% involved smuggling activities between the Mainland and Hong Kong. Items seized were mainly mobile phones, tablet computers, electronic parts and photographic equipment.

In relation to anti-narcotics work, the number of cases detected increased by 54% to 797, of which 58% were effected at the airport. A total of 1 017 kg of drugs (not including Khat) were seized, representing a 1.3-fold increase. Among the seizures, 41% were methylamphetamine (ice), 22% were synthetic cathinone (bath salts) and 12% were ketamine (K powder), and the seized amount of the former two showed an increase of 4 times and 12 times respectively. To enhance liaison and intelligence exchange with other law enforcement agencies and to tackle the increasing cross-boundary drug trafficking activities, the Customs Drug Investigation Bureau was re-structured in April 2014, with the Airport Investigation Group upgraded and provided with 21 additional officers. Coupled with interaction with the logistics, aviation and tourism industries, notable achievements were attained with 25 cases detected and 89 kg of drugs seized locally while follow-up investigations conducted in the Mainland and overseas attributed to the uncovering of 45 more cases and the seizure of another 222 kg of drugs.

For revenue on dutiable commodities, duties collected by the Department in 2014 amounted to HK\$9.7 billion, representing an increase of 6% over 2013. 60% of the duty was from tobacco products (HK\$5.8 billion), 36% was from hydrocarbon oil (HK\$3.5 billion) and the remaining 4% was from alcoholic products (HK\$375 million).

A total of 11 559 cases of illicit cigarettes were detected in 2014, representing an increase of 4%. The number of significant cases was down by 50% to 21, and that of illicit cigarettes seized also dropped by 42% to 52 million sticks, while the number of telephone ordering cases detected increased by 64%. The Department would keep close contact with the Housing Department, building management offices and telecommunication service providers with a view to taking immediate action on reports of buying or selling illicit cigarettes, provision of phone numbers and distribution of handbills.

In 2014, HK\$9.6 billion of government revenue was collected from motor vehicle first

registration tax to support public services. In an effort to eliminate illegal practices of vehicle sales to protect this important source of public revenue and maintain a level playing field, the Department prosecuted 55 importers/distributors, involving 178 motor vehicles with fines imposed by the court on the defendants for committing offences against the relevant ordinance ranging from several thousand dollars to HK\$124,000. Promotional activities were launched through television and radio announcements. A mobile app for checking the approved retail prices of motor vehicles was also launched in May 2014.

On intellectual property rights protection, the number of infringement cases detected increased by 18% to 849 in 2014. 184 of the cases involved Internet crime, which would be the focus of law enforcement in future. The Department had stepped up co-operation with network service providers and auction sites, and was developing a SocNet Monitoring System for online surveillance of illegal activities on social networking platforms.

As regards supervision of money service operators, nine cases of unlicensed operation were detected and nine persons were prosecuted in 2014. The first batch of licensees had started to renew their licences. Generally speaking the money service operator licensing system was operating smoothly.

Since the implementation of export control on powdered formula for infants and young children in March 2013, 9 190 cases had been detected with 165 100 kg of powdered formula seized up to December 2014. The Department would continue to mount targeted operations against unlicensed export of powdered formula, in particular at boundary control points where parallel trading activities are frequent.

As regards the protection of endangered species, a total of 462 cases were detected during the year, with 138 300 kg of items confiscated. The confiscated items were mainly wood logs, weighing 124 600 kg, representing an 11-fold increase. On the other hand, the quantity of ivory tusks as well as pangolin and scales confiscated dropped by 72% and 12% respectively. This corroborates Hong Kong's dedication and perseverance in shouldering its international obligations.

Trade facilitation is one of the important functions of the Department. A total of 25 enterprises had been accredited under the Authorized Economic Operator Programme implemented in mid 2012. Mutual Recognition Arrangements (MRAs) with the Mainland and Korea had been successfully implemented, and the negotiations with the Indian and Singapore Customs for full implementation were making good progress. The Department would press ahead with the conclusion of MRAs with the other customs administrations, and actively participate in the Smart

and Secure Trade Lanes Pilot Project advocated by the Mainland and the European Union.

Consumer protection is of a high priority to the Department's functions. The Department detected 59 cases related to short weighing, nine related to toys and children's products and seven related to general consumer goods. For unfair trade practices, prosecutions amounted to 72 cases, written undertakings were accepted under the civil compliance-based mechanism in five cases and warning letters were issued in another 12 cases, adding up to a total of 89 cases. Since the enactment of the amended Trade Descriptions Ordinance, there had been a reduction in the use of some of the notorious unfair trade practices. The Special Duties Team specialising in complicated cases had been upgraded to an independent unit with an establishment expanded from 27 to 55. A new round of publicity featuring real-life cases would also be launched to raise consumer awareness and alertness.

In retrospect, notable results were achieved in 2014. Specifically, the Department cracked down on 20 363 cases in 2014, a record high since 1997. The figure outnumbered that of 2013 by 1 463, representing an increase of 8%. An apparent rise was noted in cases related to drugs, intellectual property rights and consumer rights. Looking ahead, 2015 is of particular significance as the Department forges ahead, keeping up the good work and staying alert with foresight in the discharge of duties with flexibility and skills. Noticing that illegal activities would in future be driven by vibrant e-commerce trade and intensified personnel movements, the Department would continue to promptly devote resources to cultivating external partnerships with all relevant sectors and expanding the international intelligence network. Other areas include fine-tuning the organisational structure and reinforcing internal collaboration, as well as introducing innovative ideas and a forward-looking mindset. With all these measures in place, the Department is well equipped to serve the community with flexibility and efficiency and help maintain the stability and prosperity of Hong Kong.

Senior Management of the Customs and Excise Department in 2014



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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 fulfill 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 (C&ED). 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.
- 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 and the Ports and Maritime Command.

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 Office of Customs Affairs and Co-operation, the Office of Supply Chain Security Management, 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 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 Syndicate Crimes Investigation Bureau.

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 CEPA and Trade Inspection Bureau, the Trade Investigation Bureau, the Trade Declaration and Systems Bureau, the Consumer Protection Bureau (1), the Consumer Protection Bureau (2), the Consumer Protection Bureau (3) and the Money Service Supervision Bureau.

In addition to the five branches, there are two central management units which work under the direct supervision of the Deputy Commissioner. They are the Office of Service Quality and Management Audit and the Internal Audit Division.

At the end of 2014, the Department had an establishment of 5 958 posts. Of these, nine were directorate posts, 4 810 were posts of the C&E Service, 500 were those of the Trade Controls Officer Grade and 639 belonged to various General and Common Grades.

3. Anti-smuggling

Anti-smuggling

A major mission of the Department is to prevent and detect smuggling, especially 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, endangered species, firearms, copyright infringing articles, goods bearing forged trademarks and goods with false origin labels and high-valued general merchandise. In the fight against smuggling activities, the Department has strived to maintain a proper balance between control and trade facilitation to ensure the speedy flow of legitimate cargoes at the control points.



Customs dog handler and his detector dog searching for dangerous drugs in the Hong Kong International Airport.

The Department detected 255 unmanifested cargo cases in 2014, a decrease of 10% compared with 2013. Amongst the cases, 216 of them involved items smuggled between Hong Kong and the Mainland, including 70 at sea and 146 on land. There were 274 persons arrested and the seizures amounted to HK\$479 million.

Smuggling of general merchandise between Hong Kong and the Mainland is a matter of concern for both sides. High-valued commodities including mobile phones and accessories, computer hardware and seafood (such as lobster, salmon, abalone and geoduck) remain the popular items smuggled into the Mainland. Items smuggled to Hong Kong include dutiable cigarettes, counterfeit and copyright infringing articles.



Seizure of a large batch of smuggled tablet computers and mobile phones.

Concealment remains a common tactic by smugglers to evade Customs detection. Concealment methods included hiding contraband in false or altered compartments in cross-boundary vessels, lorries, private cars, cargo containers or mixing smuggled goods with legitimate imports or exports. Smugglers also exploited the long coast line of Hong Kong, and with loading places frequently changed to evade detection, sent high-valued merchandise into the Mainland by high-powered speedboats moving at breakneck speeds. Some smuggling syndicates resorted to using containerized sea cargo to smuggle hot items to the Mainland.



Movable fuel tank was used to cover the concealment on a speedboat.

To combat the problem of parallel traders diverting large quantities of powdered formula away from the supply chain in Hong Kong, the Government passed the Import and Export (General)(Amendment) Regulation 2013 in February 2013. The new regulation came into effect on 1 March 2013 and it prohibits the unlicensed export of powdered formula for infants and children under 36 months. Those aged 16 or above are exempt on their first departure within a 24-hour period, and each may take two cans of powdered formula with a total net weight up to 1.8 kg out of Hong Kong. To tie in with the new regulation, the Department stepped up the enforcement work at various land boundary control points. The Department will continue to enhance intelligence collection and keep close contact with Mainland Customs for joint operations if necessary to detect the illegal export of powdered formula from Hong Kong. Up to 31 December 2014, a total of about 165 100 kg of powdered formula were seized.

Dutiable Commodities

Illicit Cigarettes

Interception of cigarette smuggling remains a high priority task for the Department, and enforcement is focused on cigarettes smuggled across the land boundary with the Mainland. Smuggling syndicates tended to mix the cigarettes with general cargo and falsely declared the consignment, or made use of false compartment for concealment. Apart from routine checking, intelligence exchange and parallel operations with the

Mainland Customs at the land boundary control points have proven to be effective measures to suppress smuggling activities. In 2014, a total of 36 million sticks of smuggled cigarette were seized, majority of which were found onboard cross-boundary vehicles arriving from the Mainland. The largest smuggling case detected in the year was an importation case which involved 4 million sticks of cigarette.



X-ray photo shows unmanifested cigarettes concealed in the inner portion of a cross-boundary truck.



Illicit cigarettes were smuggled by way of being concealed in the inner portion of cargo compartment.



Illicit cigarettes were found mixed-loaded with general cargoes onboard an incoming vehicle.

Abuse of Duty-free Cigarette Concessions

Beginning in August 2010, returning Hong Kong residents may only bring in 19 sticks of cigarette without the need for payment of duty. Abuse of the duty-free concession has decreased due to enhanced publicity and public awareness.

Under the Compounding Scheme, fines totaling HK\$49.1 million were collected in 9 697 cases involving 3.1 million sticks of cigarette, 362.8 kg of cigar, 22.2 kg of assorted tobacco product and 392 litres of liquor in 2014.

Illicit Fuel

Rigorous enforcement through increased checks on incoming vehicles and vessels had contained the problem of illicit fuel smuggling from the Mainland. In 2014, 17 importation cases, three on land and 14 at sea, were effected with 5 800 litres illicit fuel seized.

Project Crocodile

The Project Crocodile provides a platform for Customs Administrations in the Asia Pacific Region to share intelligence to tackle transnational illicit cigarette smuggling. Hong Kong Customs actively reports suspicious shipments, contributing to some 56% of the notifications issued under the Project thus far. Since the launch of the Project in August 2004, 97 containers, containing 619.28 million sticks of cigarette and 1 300 kg of manufactured tobacco in total were seized as a result of information provided by Hong Kong Customs.

Dangerous Drugs

Heroin, ketamine, methamphetamine, cocaine, cannabis and nimetazepam are popular dangerous drugs smuggled into Hong Kong. In 2014, the Department detected 797 cases with 1 017 kg (not including khat) of assorted drugs seized. Drug syndicates had taken advantage of the very heavy passenger and vehicular traffic at the control points to smuggle drugs into Hong Kong and express couriers of general cargo are exploited to smuggle small quantities of dangerous drugs each time to evade detection and minimize loss upon interception. To combat cross-boundary drug trafficking activities, Hong Kong Customs will continue to take vigorous enforcement actions, step up inspection and deploy Customs detector dogs to various land control points.

Precious Metal

In 2014, five cases involving seizure of 625 kg of silver and palladium slabs 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 2014, 98 cases of firearms and

weapons were detected at the Airport with 10 persons arrested and the total seizure value was HK\$0.7 million.

At the land boundary control points, one passenger case and nine cargo cases were effected in 2014 and major seizures were stun guns.

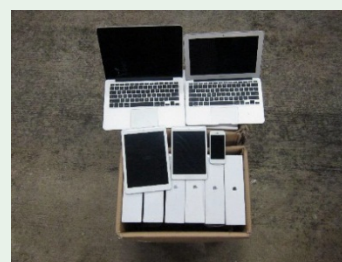
Counterfeit and Pirated Articles

The Department has continued to accord high priority to the protection of intellectual property rights. Rigorous 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 which bear forged trade marks or false trade descriptions. As it has been a global trend to have on-line selling of counterfeit goods coupled with transnational goods delivery service, infringers making use of cross boundary logistics services and express couriers to deliver infringing goods sold on line were rising. To tackle the problem, cooperation with overseas law enforcement agencies, express courier companies and the Hongkong Post were enhanced. In 2014, 88 cases of IPR infringing goods were effected from the postal channels. Joint operations with other Customs administrations and international organizations resulted in a total of 47 cases with seizure valued at HK\$12.9 million.

At the Hong Kong International Airport, 67 cases were detected with four persons arrested in 2014, with seizures having a value of HK\$6.8 million. At the land boundary control points, eight cases were detected with seven persons arrested. Seizures valued at HK\$0.9 million were effected. Besides, 30 cases of intellectual property rights infringing goods were detected from shipments via sea mode by using river trade vessels and the seizure value was HK\$55 million.

Computer Accessories and Telecommunication Equipment

Smuggling of high-valued computer accessories to the Mainland continued in 2014. Among the outgoing smuggling cases detected at the land boundary, 82 cases involved computer accessories or telecommunication equipment including mobile phones and accessories, computer hard disks, tablet computers, Random Access Memory sticks, computer Central Processing Units, digital camera, etc. The seizure value amounted to HK\$130 million. Smuggling by speedboat was still prevalent. Among all seized goods in smuggling cases detected at sea, tablet computers, computer accessories and telecommunication equipment were the hottest smuggling items.



Notebooks and tablet computers were found smuggled into Hong Kong.

Mobile phones of the latest model were found smuggled into the Mainland.



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. In 2014, 546 joint operations with FEHD were conducted. Enforcement actions taken throughout the years had successfully deterred smuggling of meat and slaughtered poultry by cross-boundary passengers.

Endangered Species

There were still isolated cases of endangered species of plants and animals being smuggled into Hong Kong. In 2014, Customs officers detected 462 cases of endangered species of plants, birds and animals. The items involved frozen masked palm civet, frozen pangolin, pangolin scales, live asiatic bony tongue, American ginseng, crocodile meat, cobra, bear bile powder, stony coral, agarwood, red sandalwood and orchid etc.



Asiatic bony tongue and frozen pangolin concealed in boxes.

In 2014, Customs Officers detected 18 sea smuggling cases of endangered species of animals and plants, in which over 122 674 kg of wood 32 kg of ivory, 4 340 kg of pangolin scales, 6 kg of rhino horns, 561 kg of seahorses and 991 kg of shark fins with a market value of over HK\$58 million were seized. Most of those seizures were found from 13 cargo containers from Africa and South America, which were declared to contain “Plastic Scrap”, “Leather” or “Decorative Glass” and the concealment methods were highly sophisticated.



Agarwood seized in anti-smuggling operation.



Wood seized in cargo examination.



Seahorses seized in cargo examination.

Marked Oil

Since May 2005, the Department launched a scheme to suppress seaborne smuggling of marked oil into the Mainland as a result of a higher price for diesel oil fetched in the Mainland. Oil barges delivering marked oil are required to be registered with the Department and transaction records are checked for irregularities. In 2014, four cases were detected with eight persons arrested and the total seizure value amounted to HK\$13,000.

4. Trade Facilitation

Road Cargo System (ROCARS)

Submission of land cargo information via the ROCARS, an electronic system designed to speed up customs clearance of road cargoes, became mandatory on 17 November 2011. The system effectively shortens the clearance time of road cargoes at land boundary control points from 60 seconds to approximately 20 seconds, which further underscores the important status of Hong Kong as a logistic hub in the region.

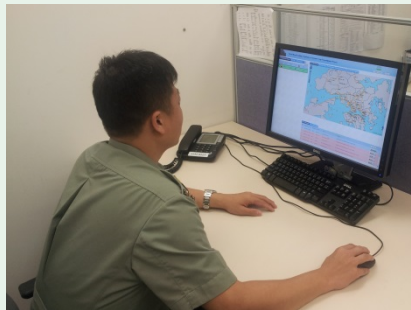
The Department has applied Radio Frequency Identification technology to enhance the recognition of cross-boundary trucks' registration numbers for further streamlining of the automated clearance process at the land boundary control points.



The Customs Officer is sticking an RFID tag on the windshield of a cross-boundary truck.

Intermodal Transshipment Facilitation Scheme (ITFS)

Customs is constantly developing initiatives to enhance the speed and lower the cost of movement of cargoes across the boundary with the Mainland to maintain the competitiveness of business of HKSAR. To facilitate the movement of transshipment cargoes, the Department officially launched ITFS on 29 November 2010, where transshipment cargoes, if examination is required, will normally be subject to customs inspection once either at the point of entry or exit. Under ITFS, electronic locks (E-lock) are applied to secure cargo compartments of vehicles conveying transshipment cargoes to prevent the cargo from being tampered with during the journey in Hong Kong. Besides, Global Positioning System devices are used for monitoring the status of the E-lock and tracking the movement of the goods vehicles to ensure the security of the cargoes while being conveyed within the Hong Kong boundary.



Officers checking E-lock and monitoring ITFS vehicles via web-based platform.

To expand the scope of facilitating transshipment cargoes, the Department is now conducting a “Single E-lock” Trial Run with the Mainland Customs for exploring the feasibility of interconnecting ITFS and their Quick Pass System by using a single E-lock for monitoring transshipment cargoes by the Customs authorities on respective sides of the land boundary. Under the new arrangement, cargo inspection results will be mutually referenced by the two Customs authorities with the aid of the E-lock’s “steady green light” and it is expected that less frequent inspection will be executed. The Trial Run of the project was kicked off on 16 November 2012 and the operation has been by and large smooth.

Economic Co-operation Framework Agreement (ECFA)

Under ECFA signed between the Mainland and Taiwan on 29 June 2010, specified goods originating from Taiwan and consigning to the Mainland directly or vice versa can claim for preferential tariff treatment. In case the transportation involves transit through a third party, preferential tariff treatment can still be granted subject to the fulfillment of stipulated requirements which include, among other things, certification issued by the Customs Administration of the transit party. Given that Hong Kong has hitherto been a major transit port for the transportation of goods between the Mainland and Taiwan, the Department has taken up certification/verification responsibilities which involved close collaboration and intelligence exchange with the Mainland and Taiwan Customs. Under the arrangement, cross-strait transshipment cargoes are entitled to preferential tariff treatment by the destination Customs.

On 1 April 2012, streamlined procedures were implemented to further facilitate ECFA applicants. Under the streamlined procedures, the Department conducts documentary check on applications pertaining to transit and transshipment cargo that needs not go through consolidation process in Hong Kong. After the implementation, the application number significantly increased to 11 239 applications in 2014 as compared to 10 106 applications received in 2013. Up to the end of 2014, the Department had issued a total of 34 994 ECFA Certificates since the implementation of the Scheme.



Customs officers checked on transshipment cargo.

Wine Exports to the Mainland

To enhance Hong Kong's status as a regional wine trading and distribution hub, the Department and the General Administration of Customs of the People's Republic of China (GACC) signed a Supplement to the "Co-operation Arrangement on Customs Facilitation Measures for Wine Entering the Mainland through Hong Kong" on 18 September 2014. The Supplement allows Hong Kong wine traders registered under the Scheme of this Co-operation Arrangement to have a free choice of mainland trading partners, which adds flexibility to conducting their wine business in the Mainland. It also enables the wine traders to make use of a newly developed web-based system to declare advance information of wine consignments to the Mainland Customs. Wine consignments declared through the system will then enjoy immediate customs clearance when arriving designated Mainland ports in Shenzhen and Guangzhou. The Department is vigorously promoting the Scheme to encourage more traders to use the facilitation measures, thus giving an impetus to the wine exports from Hong Kong to the Mainland.



Mr. Clement Cheung (left front) exchanges documents with Mr. Sun Yibiao (right front) after signing the supplement.

Hong Kong Authorized Economic Operator (AEO) Programme

With a view to safeguarding the international supply chain and further facilitating global trade, the Department formally launched the Hong Kong Authorized Economic Operator (AEO) Programme¹ in April 2012. Being a voluntary certification regime, the Hong Kong AEO Programme allows local companies satisfying prescribed security requirements to be accredited as trusted partners, which are eligible for reduced inspections and priority clearance at entry and exit points. Up to 2014, the Department has accredited 25 AEOs (including two small and medium enterprises) and the response from the industry towards the Programme has all along been positive.

The Department has been taking active steps to develop mutual recognition arrangements² (MRA) with other customs administrations with a view to multiplying benefits for the Hong Kong AEOs. Since October 2013, the Department has signed MRAs for the AEOs with GACC, the Central Board of Excise and Customs of India, the Korea Customs Service and the Singapore Customs. The MRAs with Korea and the Mainland have been fully implemented since August and September 2014 respectively. In September 2014, the Department also signed AEO MRA Action Plans with the Customs Department of Thailand and Royal Malaysian Customs Department respectively to pave the way for the conclusion of the AEO MRAs in 2015. Discussions with Customs counterparts of Japan, Taiwan and the European Union (EU) for establishing MRA are underway.



The Commissioner signed the MRA for the AEO Programme with the Korea Customs Service in Hong Kong on 13 February 2014.

¹ AEO is a model programme to secure and facilitate global trade. It is one of the core elements under the Customs-to-Business Pillar of the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE FoS). Under the AEO programme, all economic operators involved in the international movements of goods may apply for AEO status, thereby reducing their security risk if accredited. AEO programme thus allows Customs to focus on high risk trade whilst facilitating legitimate trade.

² Mutual recognition of AEO programme is one of the principal goals of WCO SAFE FoS to better secure and facilitate global trade. It is a formal recognition of an AEO programme by other customs administrations. Through this arrangement, customs facilitation provided by other customs administrations may be extended to the accredited companies.



The Commissioner signed the MRA for the AEO Programme with the Singapore Customs Service in Brussels, Belgium on 27 June 2014.

Smart and Secure Trade Lanes (SSTL) Pilot Project

The Smart and Secure Trade Lanes (SSTL) Pilot Project³ has been running on a proper course since its implementation in Hong Kong in November 2013. Between 27-30 October 2014, the Department successfully hosted the 24th SSTL Working Group Meeting in which the delegates from participating customs administrations examined the operations and benefits of the project and paved the way for the further implementation of cargo clearance services under the project.

The Department will continue to actively participate in the project with the Mainland and the EU to create more business opportunities and strengthen the competitiveness of the local logistics industry so as to maintain Hong Kong as an international and regional logistics hub.



The 24th SSTL Working Group Meeting was successfully held in Hong Kong from 27 to 30 October 2014.

³ The GACC and the respective customs administrations of EU have been operating the SSTL pilot project since November 2007. Riding on the WCO SAFE FoS, SSTL aims at testing and refining the Framework's principles in a realistic and operational environment. Hong Kong Customs formally joined the SSTL pilot project in June 2013.

5. Narcotics Interdiction

Anti-narcotics Strategy

One of the major responsibilities of the Hong Kong Customs is the prevention and detection of illicit drugs trafficking. The Department has adopted a comprehensive enforcement strategy, which comprises a three-pronged approach, namely drug source detection, recovery of drug/crime proceeds and control of precursor chemicals used in the illicit manufacture of drugs, and has exemplary achievement in the battle against dangerous drugs.

While stringent control at all control points is imposed to prevent the inflow of drugs and their transit through Hong Kong, the Customs Drug Investigation Bureau of the Department, re-structured in April 2014 with the upgraded Airport Investigation Group, takes action against syndicated drug traffickers and street peddlers based on surveillance and intelligence.

Anti-drug operations have never been easy. To enhance the effectiveness of anti-drug programmes, the Department is empowered to trace, restrain and confiscate drug or crime proceeds derived from illicit activities so as to stop drug traffickers from re-investing drug 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 maintained a licensing system to monitor and control the movements of precursor chemicals. Moreover, through an international liaison network, the Department strives to inhibit the illicit diversion of such chemicals at the global level.

Enforcement

Frontline Customs officers took anti-drug efforts strenuously with a combination of vigilance, intelligence and hi-tech equipment. Besides focusing on risky shipments of commercial cargoes, which provide a means for concealment of large quantities of illicit drugs, they also targeted smuggling of drugs by express parcels and mails and drug traffickers at the control points, who sneaked in drugs packed on body, stuffed inside body cavities or hidden in false compartments in baggage. The high level of professionalism has resulted in encouraging finds.

Ketamine is still the most prevalent drug of abuse among young people. The Department arrested 154 persons and seized 126.5 kg in 2014. In 2014, 112 persons who attempted to sneak in a total of 42.2 kg of ketamine were arrested at the land control points. Among these 112 arrestees, 12 were aged under 21, and these teenagers brought in a total of 13.1 kg of ketamine.

Analysis of the seized heroin revealed that the majority of the drugs came from the “Golden Crescent” (the area overlapping Afghanistan, Iran and Pakistan). In 2014, 39.6 kg of heroin were seized with 55 persons arrested. Most of them were seized from air passengers arriving from Africa and South East Asia. The seizures were mainly concealed inside baggage or swallowed, and were believed to be destined for the neighbouring areas.

In 2014, the Department seized 66.9 kg of cannabis with 46 persons arrested. Among the seizures, 25.4 kg were intercepted at Hong Kong International Airport.

Methamphetamine is another popular drug, with 416.3 kg seized and 159 persons arrested in 2014. Among the seizures, 292.5 kg were intercepted at Hong Kong International Airport whilst en route to other countries in the Asia Pacific. In December 2014, 104 kg of methamphetamine were seized from five transit express cargo consignments from the Mainland to Malaysia via Hong Kong.

Methamphetamine concealed in the electronic product.



Cocaine which originates from South America, is gaining popularity worldwide and has always been a high priority on Customs anti-drug programme. In 2014, 57 persons were arrested with 103.9 kg seized. Amongst the seizures, 98.1 kg were intercepted with 41 persons arrested at Hong Kong International Airport.

In 2014, the Department seized 226 kg of synthetic cathinones, a new psychoactive substance commonly known as “bath salt”. The drugs were seized from transshipment parcels from the Mainland destined for overseas countries including the US, Russia and the UK.

Synthetic cathinones concealed in the express parcels.



Co-operation with Overseas and Mainland Authorities

The Department has maintained close tie with law enforcement agencies in the Mainland and overseas to enhance the effectiveness of enforcement against transnational drug trafficking. In 2014, as a result of co-operation with other jurisdictions, 222.9 kg of drugs were seized and 36 persons were arrested outside Hong Kong. Of significance, in a joint investigation on a transnational drug trafficking syndicate with the US, Macao, and Mainland authorities, four syndicate members were arrested in Shenzhen with seizure of 43 kg of methamphetamine in July. Later in the same month, the mastermind and another core syndicate member were arrested in Macao.

Cross Boundary Drug Trafficking

To implement the recommendations of the Task Force on Youth Drug Abuse led by the Secretary for Justice, 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 drug abuse.

There was a slight increase in the number of persons aged below 21 arrested in connection with drug offences at the land boundary control points. In 2014, the number of arrests was 18 while that of 2013 was 14. The Department will continue to step up enforcement action against cross boundary drug trafficking and increase the public awareness on the severe penalties of drug offences and harmful effects of drug abuse.

Financial Investigation

The Department took continuous efforts in 2014 in tracing proceeds derived from drugs and organized crimes. On combating local syndicated crimes, the Department restrained HK\$11.6 million of crime proceeds relating to organized crimes in connection with smuggling of electronic goods and confiscated HK\$0.3 million of drug proceeds from a drug manufacturing and trafficking syndicate.

On international cooperation, the Department confiscated HK\$112 million of realizable properties locally and in Singapore under the Organized and Serious Crimes Ordinance as a result of a joint investigation with the US and Singapore counterparts in a transnational money laundering case. In another case, restraint of HK\$18.8 million was made under mutual legal assistance as a result of a joint investigation with

the German counterparts on a transnational Value Added Tax fraud syndicate defrauding the revenue of the German government.

In the prevention and detection of money laundering in HKSAR, the Joint Financial Intelligence Unit operated by the Department and the Hong Kong Police Force received 37 188 suspicious transaction reports from the financial institutions and the designated non-financial businesses and professions, among which 1 897 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 27 chemicals commonly used for the illicit manufacture of narcotic drugs and psychotropic substances.

To step up control, the Department participates in a global co-operation mechanism which monitors the movements of precursor chemicals to prevent illicit diversion. Pre-export Notifications (PENs) of controlled chemicals are issued to the importing countries or territories to confirm the legitimacy of the shipment before export approval is granted. 585 PENs were issued to 22 countries in 2014.

During the year, the Department has taken part in three international tracking programmes, namely "Project Cohesion", "Project Prism" and "Project ION" for monitoring the movements of potassium permanganate, acetic anhydride and chemicals that could be used for the illicit manufacture of amphetamine-type stimulants and preventing new psychoactive substances from reaching consumer markets. These initiatives, organized by the United Nations International Narcotics Control Board, are recognized as an effective multilateral mechanism to prevent the illicit diversion of precursor chemicals.

In the meantime, the Department has also participated in the operation "Zircon Pacific", jointly launched by the Department and the US Drug Enforcement Administration, Hong Kong Country Office since August 2008, for tracking the movement of suspicious shipments of acetic anhydride, acetyl chloride, piperidine, potassium permanganate and phenylacetic acid via Hong Kong to high-risk countries.

International co-operation is particularly important in maintaining a global force against the illicit movements of chemical precursors. The Department has been proactively exchanging 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 December 2014, as a result

of intelligence exchange with Belgium authorities, a shipment of 1 500 kg of granule containing 3,4-methylenedioxy-phenyl-2-propanone valued at HK\$1.5 million was seized in an air cargo warehouse in Hong Kong. The seized chemical was originated from the Mainland and destined for Poland via Belgium and Hong Kong. It could be used for the synthesis of MDMA.

6. Intellectual Property Rights (IPR) Protection

During the year, rigorous and sustained enforcement actions were maintained against copyright infringement and trademark counterfeiting activities in Hong Kong at both the manufacturing and retailing level.

Anti-piracy Enforcement

The Department detected 60 piracy cases and arrested 87 persons in 2014. Seizure of pirated optical discs (PODs) amounted to 1 million. Together with other seizures in these cases, the total value of seizure was HK\$3 million.

Actions against Retail Sale of Pirated Goods

The Department maintained rigorous enforcement actions against retail outlets selling PODs, targeted to wipe out optical discs piracy activities totally. The Intellectual Property Investigation Bureau, the formation that organized all anti-piracy operations, was determined to go after the syndicates that ran optical discs piracy business in Hong Kong. The rigorous enforcement action throughout the years has achieved significant results. The number of retail outlets selling PODs has died down in recent years.

Actions against Manufacture, Import and Export of Pirated Goods

Since the commencement of the Prevention of Copyright Piracy Ordinance in May 1998, all optical disc factories in Hong Kong are required to obtain a manufacturer licence and they are subject to inspection by the Department. Illicit manufacturing of optical disc is further suppressed when the Prevention of Copyright Piracy Ordinance (Amendment of Schedule 1) Order 2002 came into force on 19 July 2002, which requires manufacturers of stampers (the master disc) in Hong Kong to obtain a licence from the Department. In 2014, Customs officers conducted 100 inspections of licensed optical disc and stamper factories.

Actions against Internet Crime

To cope with the increasing trend of internet crime, the “Anti-Internet-Piracy Team” (AIPT) was further expanded in 2014 with more than 40 investigators dedicated to fight against internet crimes. Since its establishment in 2000, the AIPT has detected 721 internet cases, arrested 846 persons and seized pirated articles and computer equipment with a worth of HK\$17.37 million. The Department has been developing

with the University of Hong Kong over the years different monitoring systems for online surveillance of illegal activities to cope with the rapid changes in technology of online economy.

To cope with new enforcement challenges arising from the advance in cyber technologies, the Department has set up an Electronic Crime Investigation Centre (ECIC) in February 2013. The ECIC aims to strengthen research into the latest operation of cybercrimes, formulate enforcement strategies and procedures on evidence collection for front-line enforcement officers, and conduct training courses on retrieval and preservation of digital evidence for front-line officers. It also conducts researches on online investigation system.

Actions against Corporate Use of Pirated Works in Business

The Intellectual Property (Miscellaneous Amendments) Ordinance 2000 has been expanded with new provisions to enhance copyright protection. Apart from the existing provision which prohibits the bringing of video-recording equipment into cinemas and places of public entertainment to prevent bootlegging, new provisions are made to criminalize the use of infringing copyright works, including computer software, movies, TV dramas or music and sound recordings, in business. Since the provisions became effective in 2001, the Department has detected a total of 330 cases of corporate use of pirated works, arrested 671 persons and seized items having a worth of HK\$18.32 million.

Actions against Circumvention Devices or Services

The Copyright (Amendment) Ordinance 2007 has increased the criminal and civil liability for the circumvention of “technological measures to protect copyright works”. Any person who engages in the 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 95 circumvention cases and arrested 134 persons.

Actions against Counterfeit Goods

The Department has maintained a high enforcement pressure against the sale of counterfeit goods during the year and the sustained actions have placed trademark counterfeiting in Hong Kong firmly under control, with no sign of major counterfeit goods manufacturing activities emerging.

In 2014, the Department detected 1 076 cases involving counterfeit goods or goods

bearing false trade descriptions. A total of 752 persons were arrested. With a value of HK\$93 million, the seized goods were mainly electronic products, counterfeit garment, wrist watches and leather goods.

Actions against Wine Counterfeiting

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

In combating wine counterfeits, the Department maintained a close partnership with the wine industries and enforcement agencies of major wine producing countries. Besides, 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.

Actions against Medicines Counterfeiting

With a view to enhancing the deterrent effects on the export of counterfeit medicines through postal channel, the Department is working closely with overseas enforcement agencies to backtrack the source of supply of the seized counterfeit medicines for follow-up investigation. The Department also cooperates with the Consumer Council to publish the names of the dispensaries convicted of selling counterfeit medicines. The first list of dispensaries was released in the February issue of the CHOICE magazine in 2011, which named dispensaries convicted for selling counterfeit medicines in 2010. The Consumer Council continued to update the list of dispensaries and so far, a total of 68 dispensaries have been listed.

Restraint and Confiscation of Crime Proceeds of IPR Infringing Syndicates

The Department actively applies the Organized and Serious Crimes Ordinance (OSCO) in the investigations of IPR infringements in the fight against the organized 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 11 IPR cases (eight copyright cases and three counterfeit cases), with some HK\$130 million worth of crime proceeds/assets restrained. This enforcement approach has effectively clamped down syndicates engaged in copyright piracy and trademark counterfeiting activities.

Strategic Partnership

The Department has been working proactively to seek greater co-operation from the IPR industry to enhance the fight against piracy and trademark counterfeiting. The industry is now providing all sorts of support to the Department, including the provision of leads on IPR infringement activities, examination of seized goods to authenticate IPR, provision of testimony in court and training for Customs officers to enhance the skill on fake product identification. The Department has also been actively maintaining close liaison with the industry, local and overseas law enforcement agencies, academics, etc. to review the effectiveness of Customs enforcement, to re-examine IPR protection issues and exchange views from a multifarious perspective.

Since its establishment in early 2013, ECIC has been deploying resources to conduct insightful researches on potential electronic crimes and seeking opportunities to organise training programmes and sharing sessions with overseas law enforcement agencies, business counterparts as well as academic institutes. In September 2014, a 2-day course on cybercrime investigation was organized for the counsel of the Department of Justice, with an expert from the movie industry invited to share his knowledge and experience. This showcases a close strategic partnership between the Government sector and the industry in combating cybercrimes.

In addition to organizing seminars, ECIC has been collaborating with academics to develop automatic monitoring systems to help officers extend their scope of enforcement as well as enhance working efficiency. ECIC in partnership with the University of Hong Kong has developed the Lineament Monitoring System 1+ in 2014. The system automatically searches popular discussion forums for suspicious message threads that distribute infringing copyright works and issues alert to officers for taking follow-up investigation. It also helps preserve the message threads and the downloaded works as evidence for future court proceedings where appropriate.

In 2014, 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 since March 2004 provides a platform for both parties to enhance strategic partnership and strengthen intelligence exchange. At present, 91 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 on IPR protection. Also, the Department joined hands with

the Mainland/overseas IPR enforcement agencies to organize a series of special seminars for the IPRPA members. Specialists and professionals from different countries and jurisdictions were invited to share their knowledge and experience on IPR protection with members of the IPRPA.

- To counter the sale of infringing articles on the Internet, the “E-auctioning with Integrity Scheme” was jointly launched with the participation of a number of local auction site operators and IPR owners in November 2005 to promote the integrity of online trading. When IPR owners have sufficient reasons to suspect that goods put up for sale at auction were infringing goods, they will notify the auction site operators concerned to remove the listings of suspicious items.
- The “Fast Action Scheme” launched jointly with the Hong Kong Brands Protection Alliance in July 2006 remains an important measure to effectively protect the interest of IP owners participating in major exhibitions and trade fairs staged in Hong Kong. Under the scheme, the Department will take prompt enforcement action when reports on IPR infringement activities from the exhibitors are received. Publicity leaflets are distributed to 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 84 major exhibitions and trade fairs, leading to the detection of 175 infringement cases and the arrest of 208 persons.
- Supporting Hong Kong’s development into a regional wine trading and distribution centre, the Customs-Wine Industry Alliance was formed with 18 organizations of the local wine industry in October 2008. It provides a platform to further collaboration with the industry in order 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 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 to reinforce actions against IPR infringement offences. The industry is now sponsoring reward schemes which pay cash rewards to informers who provide Customs with information that leads to the seizure of infringing goods. The five

existing reward schemes are:

- Anti-piracy (except retail level) Reward Scheme - sponsored by the copyright industry.
- Reward Scheme to Combat Illegal Use of Software in Business – sponsored by BSA | The 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 and Periodicals – sponsored by Hong Kong Reprographic Rights Licensing Society.
- Reward Scheme to Combat Illegal Photocopying of Newspapers and Magazines sponsored by the Hong Kong Copyright Licensing Association.

In 2014, 14 cases were effected upon receiving information by the informers recruited under these reward schemes, which highlighted the cooperation and commitment of the IPR industry to support the Department in the fight against infringement activities.

Publicity Programmes for IPR Protection

Suppressing IPR infringing activities cannot be done by enforcement alone. Illicit trade continues as long as demand for pirated and counterfeit goods exists. Promotion of civic education to raise public awareness and respect for IPR protection is equally important. In 2014, the Department launched several publicity campaigns to promote IPR protection.

In collaboration with 13 local youth uniformed groups (YUGs) and the IPR sector, the Department ran the “Youth Ambassador Against Internet Piracy Scheme” (YAS) since its first launch in 2006. Over 250 000 members of the YUGs joined the scheme to promote a sense of respect for copyright works among young people.

During the year, the Department, in collaboration with the Intellectual Property Department, organized the following activities for the youngsters to raise their awareness of the importance of respect and protection of IPR:

- Exchange Visit Between Secondary School Students of Hong Kong and Guangdong Province in April 2014;



Visit of Mainland officials and students to Hong Kong Customs.

- Youth Ambassadors Short Video Workshop in April 2014;



Notable professionals delivered lectures to the Youth Ambassadors.

- Youth Ambassadors Photography Workshop in April 2014;



A two-day photography workshop on practical photographic techniques, profound theories on Micro Photography and Portrait Photography was held.

- “Ambition • Fantasy” Film Show in April 2014;



Discussion panel with Youth Ambassadors in the film show, namely “Ambition • Fantasy”.

- 2014 Piracy & Malware Liberal Studies – Independent Enquiry Study Competition in April 2014;



Presentation made by the Youth Ambassadors in the Competition Finals.

- Youth Ambassadors Short Video Shooting Tour in July 2014;



A two-day short video shooting trip was held at National Arts Studio at Foshan City.

- Youth Ambassadors visited Customs and Excise Training School (CETS) in August 2014;



160 Youth Ambassadors from 13 Youth Uniformed Groups under the Youth Ambassador Scheme visited CETS.

- Youth Ambassador Photo Contest held in November 2014; and



The winning photos of the Youth Ambassador Photo Contest.

- "I Pledge • YAS Ambassador of the Year 2014 Award Presentation Ceremony" in December 2014.



"I Pledge • YAS Ambassador of the Year 2014 Award Presentation Ceremony".

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 Ordinance.

Weights and Measures Ordinance

To weed out dishonest sale of short-weighted items, the Department conducted 1 588 spot checks and 715 investigations in 2014 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 involved comparatively more complaints concerning short weight continued to be the targets of the Department's enforcement actions. In 2014, prosecution was taken against 59 cases and warning letters were issued against 112 cases for contravention of the Weights and Measures Ordinance.



Customs officer checked the accuracy of a spring scale with a standard calibrated mass.



Customs officer checked the accuracy of a diesel dispenser by pumping out a pre-determined volume of fuel into a fuel-testing container.



A defective electronic platform scale showing a reading of "9 kg" when checked with a standard mass of 10 kg.

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

The Department conducts spot checks and investigations to ensure toys, children's products and consumer goods supplied in the market are reasonably safe and affixed with bilingual warning labels. In 2014, 2 563 spot checks and 436 investigations were conducted and 16 prosecution cases were concluded. Besides, the Department issued 23 Prohibition Notices prohibiting the supply of unsafe products, ranging from wooden bow and arrow, facial cream, children upperwears and walking stick with folding stool.

Education-oriented seminars

To promote traders' awareness of product safety and their obligations in complying with the related Ordinances, the Department conducts education-oriented seminars for department stores, chain shops, trade and industry associations and small and medium enterprises in the past 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.

Educational seminars have also been organized for parents and teachers of nurseries and kindergartens to introduce to them the safety legislation, alert them of the potential risks of unsafe products and provide safety tips to help them choose suitable products for their children.

Trade Descriptions Ordinance

The Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 [Amendment Ordinance] came into operation on 19 July 2013.

To provide reference for traders and consumers, the Department and the Office of Communications Authority as enforcement agencies had jointly issued a set of Enforcement Guidelines comprising the Compliance and Enforcement Policy Statement and General Guidelines. The Enforcement Guidelines state the manner in which the two enforcement agencies exercise their powers under the fair trading sections of the Trade Descriptions Ordinance (TDO) as amended by the Amendment Ordinance and provide guidance on the operation of the Government departments.

Publicity and Enforcement

To publicize the amended legislation, Announcement of Public Interests has been broadcast on TV and radio since May 2013. At the same time, to help traders understand the fair trading sections of TDO and the consequences of non-compliance, 121 seminars/briefing sessions were delivered to retailers, exhibitors, non-government organizations/associations, elderly centres and the public. Besides, pamphlets were distributed to the public, retail shops, exhibitors and tourists so as to draw their heed to the Amendment Ordinance.

In 2014, the Department carried out 4 831 spot checks against retail shops, including those frequented by overseas and Mainland visitors. Meanwhile, Customs officers patrolled various trade fairs and exhibitions to deter dishonest sales and to ensure the

traders' compliance with the laws. During the year, the Department received 6 447 (4 970 on goods and 1 477 on services) unfair trade practices-related complaints, most of which involved regulated electronic products, electrical appliances, household wares, health and beauty products and tourism services. The number of investigations completed were 1 015 (725 on goods and 290 on services), 85 of which led to prosecution and 148 concluded with administrative action. With the consent of the Secretary for Justice, the Department accepted six written undertaking from two food companies, a general goods vendor, an online shop for baby products and an online shop group purchase company. Seizures in seven cases were ordered to be forfeited by court and 14 warning letters and 509 advisory letters were respectively issued to remind the concerned traders about their obligations to comply with the fair trading sections under TDO.



Officers conducting spot check at a pharmacy to enforce TDO.

The Department has a mechanism of Quick Response Teams to handle urgent complaints lodged by short-haul visitors or local consumers. During the year, Quick Response Teams were summoned on 22 occasions to handle urgent complaints. No offence was detected.

Setting up of Unfair Trade Practice Investigation Group

A Special Duties Team was temporarily established in 2013 to clamp down on unfair trade practices. To strengthen the enforcement of the relevant provisions under TDO, the Special Duties Team was expanded and upgraded into the Unfair Trade Practice Investigation Group in November 2014. The Group, composed of disciplined service members and experienced Trade Controls Officer Grade Officers, is specialized in investigating unfair trade practices particularly for cases involving

sophisticated sleights and/or syndicate crimes in the context of TDO.

To raise public awareness of consumer rights and to remind retailers of their legal obligations, the Department launched publicity campaign by distributing pamphlets with the salient points of TDO to local consumers and visitors at tourists areas, shops registered with the Travel Industry Council of Hong Kong as well as the passenger arrival halls of various control points. The Department also conducted joint operations with the Hong Kong Police Force, Department of Health, Food and Environmental Hygiene Department and exchanged information on unfair trade practices with the Consumer Council, Travel Industry Council of Hong Kong, Hong Kong Tourism Board, Hong Kong Trade Development Council and other stakeholders to better protect consumers.

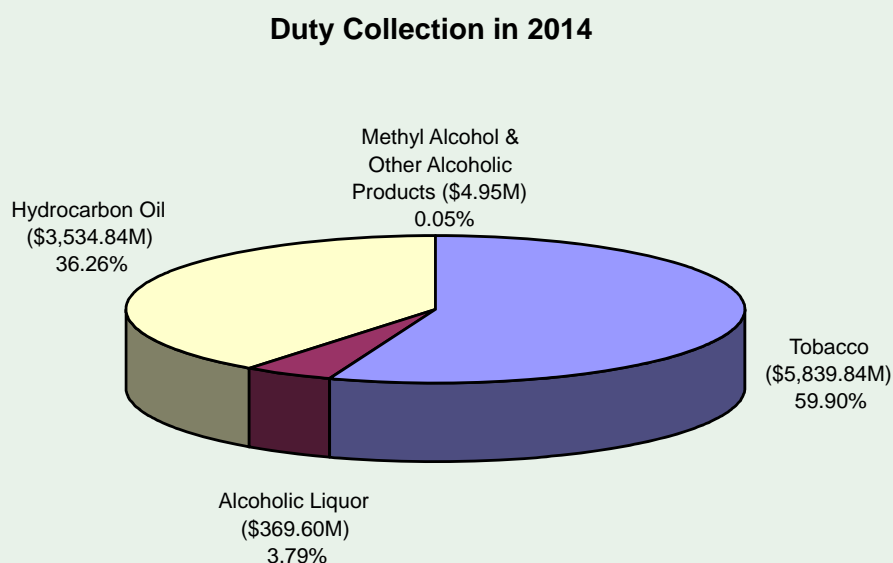


Officers delivering an education-oriented seminar to traders.

8. Revenue Collection and Protection

Revenue

In 2014, excise duties collected was HK\$9,749.23 million, including 59.90% from tobacco, 36.26% from hydrocarbon oil, 3.79% from alcoholic liquor and 0.05% from methyl alcohol and other alcoholic products. The revenue collected in 2014 increased by 5.79% compared to 2013. 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 to facilitate legitimate business activities. Operating cost of the trade has been much lowered because of the facilitation. Under OBS, Customs controls are exercised through post-transaction auditing, compliance checks and surprise checks on the loading and unloading of dutiable goods. The number of bonded warehouses increased steadily over the years under OBS, from 38 in April 2003 to 85 in December 2014.



Compliance check at a bonded warehouse.



Surprise check on devanning of dutiable goods.

Vehicle Valuation

Ever since the Motor Vehicles (First Registration Tax) Ordinance was amended to change the taxable value of vehicles as the amount to be calculated on the basis of retail price in 1994, Customs undertook the duty of vehicle valuation by maintaining a registration scheme for motor vehicle traders and a value assessment system for motor vehicles. Application for vehicle valuation and filing of Import Return can be done by electronic submission via the First Registration Tax (FRT) System. Over the years, the number of vehicles imported into Hong Kong for use on the road has been on steady increases. With strengthened capability for in-house assessment and on-site inspection, progress had been made in tackling evasion of FRT. In 2014, the number of vehicles first registered by the Transport Department was 68 584 and the amount of FRT collected was HK\$9.58 billion with an increase of 18% against last year.

In 2014, there were a total of 55 registered importers/distributors prosecuted for contravening the Motors Vehicles (First Registration Tax) Ordinance, including sole distributor and parallel-importers and 178 numbers of vehicles were involved. Penalty imposed by court for offences against the Motor Vehicles (First Registration Tax) Ordinance ranged from a few thousand dollars to HK\$124,000. Compared with 2013 where 57 registered importers/distributors were prosecuted and 297 vehicles were involved, the situation of violation had been held down relatively but selling vehicles at a price higher than the approved price remains the Department's concern. The Department will continue to enhance market research and analysis to protect consumers' rights and combat tax evasion activities.

Illicit Fuel

Illicit fuel activities continued to reduce in magnitude. There had been fading trends of smuggling duty-not-paid light diesel oil from China for sale in the black market and illegal use of marked/detreated oil as vehicular fuel, following the reduction of the duty rate of Euro V diesel to zero since 14 July 2008. While the price difference still provided the necessary impetus for smuggling cheaper motor spirit from the Mainland to Hong Kong for sale, the steady increase in the exchange rate of Reminbi led to shrinking profit margins, and hence a lesser incentive for the such activities. Only small-scale “ants-moving-home” smuggling activities by cross-boundary vehicles remained while the illicit fueling stations just operated in a sporadic manner in remote areas of the New Territories. With the persistent enforcement actions of the Department, the illicit fuel activities were effectively contained. In 2014, 46 cases were detected with 17 000 litres of illicit fuel (excluding export cases) seized, representing a decrease of 38% in cases and a drop of 24% in seizures over 2013.

Illicit Cigarettes

The Department effected 11 559 illicit cigarette cases with the seizures of 52 million sticks of cigarettes and the arrests of 11 621 persons in 2014. The total value of the seized illicit cigarettes was HK\$130 million and the duty potential was HK\$96 million. As compared with the preceding year, the number of cases and arrests increased by 4% and 3% respectively. Among the seizures, about 52 million sticks were related to local illicit cigarette activities, representing a decrease of about 34% as compared with 2013, as a result of the strategy of stepping up enforcement at source.



Illicit cigarette storage centre was smashed.

Telephone ordering has taken over street peddling to become the predominant distribution channel of illicit cigarettes. To suppress such activities, two dedicated task units were formed in 2012 and 2013 to collect and analyze intelligence and mount special operations. The outcome achieved was impressive, with 318 cases involving 3 million sticks of illicit cigarettes seized and 329 persons arrested in 2014.



Delivery vehicle for telephone ordering of illicit cigarettes.

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 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 authenticate their production capacities. Also, periodic inspections were carried out on the factories to ensure their continuous compliance with registration conditions, and consignment checks on goods covered by CO applications and PNs. In this connection, the Department conducted 554 factory inspections and consignment checks in 2014.

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 grants further 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 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 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 for surprise inspections of cargo consignments at the control points.

In 2014, the Department examined 327 consignments in 27 blitz check operations. 35 persons / companies were prosecuted for various textiles-related offences, resulting in court fines of HK\$0.83 million.

Strategic Trade Control System

To maintain a free flow of high-tech commodities for legitimate commercial use and academic research 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 TID, vigorously enforces the Strategic Trade Control System to monitor the flow of strategic commodities and to detect services engaged in 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.



25 sets of Unmanned Aerial Vehicle Machine intercepted at the Airport.

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 carry out checks on the disposal of the consignment after importation (disposal checks) to ensure that articles imported are used as declared. In 2014, the Department conducted 865 import licence checks, 1 903 export licence checks and 444 disposal checks, investigated 203 cases, and prosecuted 32 persons / companies leading to a total fine of HK\$0.85 million. In these cases, the value of goods involved was HK\$26.2 million.

Import and Export Declarations and Cargo Manifests

The Department administers 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 accurate, full and completed cargo manifests, and import and export/re-export declarations are submitted within the statutory time frame. Late lodgment of cargo manifests/declarations or lodgment of inaccurate cargo manifests/declarations is liable to prosecution and penalties.

The Department received 19.7 million declarations and collected HK\$997.4 million import and export declaration charges / clothing industry training levies/late penalties in 2014. Short-paid declaration charges / clothing industry training levies recovered and late/administrative penalties imposed amounted to HK\$15.8 million. The Department also received around 8.2 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 has organized 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 15 educational seminars for 214 traders and carriers/forwarders in 2014. Furthermore, the Department will continue to work closely with the Census and Statistics Department with a view to promoting the awareness of timely lodgment of cargo manifests and import/export declarations.



Officer delivering an educational seminar to traders and carriers/forwarders

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. In 2014, the Department received 22 requests, and most of them involved under-valuation of goods.

Closer Economic Partnership Arrangement (CEPA) - Trade in Goods

Since the implementation of CEPA on 1 January 2004, 1 809 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)). In 2014, a total of 15 172 applications for CO(CEPA) were received. Of these applications, 14 909 CO(CEPA)s at a total value of HK\$10.2 billion were issued. 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 chemical products.

Charged with the enforcement duties of the CEPA Certification System, the Department conducted consignment checks against 1 707 applications for CO(CEPA) and examined 34 CEPA consignments at various cargo exit points in 2014.

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 80 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 PRC in order to safeguard Hong Kong's interest as a trading hub of diamonds in this region. The Certification Scheme, which requires registration of rough diamond traders and comprises 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 731 consignment inspections and five investigations on rough diamonds during the year.



Officers conducting testing on rough diamonds with a diamond tester.

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 4 407 inspections, investigated 28 cases, prosecuted 22 persons / companies, resulting in a fine of HK\$0.15 million in 2014. In these cases, the value of the rice and mixed grains involved was HK\$0.43 million.

Mainland Cereals and Grain Flours Control

To complement the measures imposed by the Mainland Customs to regulate on a quota basis the export of cereals and grain flours, including wheat flour, rice flour and rice which are export duty exempted, TID implemented a registration arrangement for local importers of cereals and grain flour from the Mainland in early 2008. To support the arrangement and to ensure the cereals and grain flour imported from the Mainland were solely for local consumption, in 2014 the Department conducted 244 inspections/verifications and 10 investigations, the value of the goods involved in the investigation cases being HK\$0.88 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 2014, the Department mediated in 59 cases and three of them were successfully settled.

Anti-money Laundering and Counter-financing of Terrorism

To better align Hong Kong's anti-money laundering and counter-financing of terrorism regime with the prevailing international standards, the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (AMLO) came into operation on 1 April 2012. Under AMLO, the Commissioner of Customs and Excise is the relevant authority of the money service operators (MSOs), i.e., remittance agents and money changers, and the Postmaster General (PMG). Apart from administering the statutory licensing regime, the Department supervises the licensed MSOs and the PMG through ongoing supervision of their compliance with the customer due diligence and record-keeping requirements. Any non-compliance with the statutory requirements may be liable to criminal and/or civil sanctions. The Department also spares no effort in detecting and investigating unlicensed MSOs and other licence-related offences.

As at 31 December 2014, there were 1 206 licensees on the Register of MSOs with 338 licences renewed since the commencement of the renewal exercise in February 2014. By a risk-based approach, 142 licensed MSOs had been selected for compliance inspection. Prosecution and/or civil sanction will be taken against four of them for their failure to comply with the statutory requirements. The Department prosecuted nine persons for unlicensed operation of money service, leading to a total fine of HK\$99,000. One of the defendants was imposed with an imprisonment of two months, suspended for 24 months and a court order for disqualifying him from holding an MSO licence for 12 months.

The Department will continue to organize seminars or training courses to enhance the MSOs' awareness and compliance with the statutory responsibilities.



Officers of Money Service Supervision Bureau conducted a seminar about the legal obligation and statutory requirements as an MSO under AMLO.

10. Customs Co-operation

World Customs Organization (WCO)

In 2014, the Department continued its active participation in the WCO fora, including the Policy Commission Sessions, Council Sessions and meetings organized by the WCO working bodies including the following:

- Permanent Technical Committee
- Enforcement Committee
- Secure and Facilitate Global Trade (SAFE) Working Group
- Technical Experts Group on Air Cargo Security
- Integrity Sub-Committee
- Information Management Sub-Committee
- Capacity Building Committee
- Working Group on Revenue Compliance and Fraud
- Counterfeiting and Piracy Group

The Department rendered full support to WCO's activities, and took part in the seminars and workshops relating to the promotion of Customs capacity building, Customs integrity, trade facilitation, anti-piracy, environmental issue and global supply chain security. For enforcement activities, the Department actively participated in various operations coordinated by WCO.

To extend our staunch support to WCO, the Department has deployed an officer to the WCO Compliance and Facilitation Directorate to work as Technical Attaché since September 2012. The Department also completed its 3-year tenure in Policy Commission on 30 June 2014.

To take forward the initiative in developing a sustainable drug enforcement strategy for the Asia/Pacific (A/P) region, the Department and the Vice-Chair for the WCO A/P Region (Royal Malaysian Customs Department) co-hosted a Core Group Meeting on Project Customs Anti-drug Strategy (Project CADS) in October 2014 in Hong Kong. Under this Project, a Regional Anti-drug Expert Group was to steer regional anti-drug co-operation and formulate operational activities in A/P region. The Expert Group is composed of high-level drug and law enforcement experts from Customs members of the region.



Core Group Meeting on Project CADS held at Customs Headquarters Building in October 2014.

WCO Regional Intelligence Liaison Office for Asia and the Pacific (RILO A/P)

In 2014, the Department continued to provide strenuous support to RILO A/P by seconding an officer to work as Intelligence Analyst. The Department and RILO A/P has been the coordinator of the Focus Area “Compliance and Enforcement” of the WCO A/P Regional Strategic Plan (RSP) 2012-14 and continue to take up the same role for RSP 2014-16. Under the coordination of RILO A/P, the Department exchanged intelligence with customs counterparts for investigation into suspected cases of customs crimes.

The Department continued to take part in major projects of RILO A/P, namely the “Project Crocodile”, “Project Sky-Hole-Patching”, “Project CATalyst” as well as the “Drugs Seizures Immediate Notification System (DSINS)” respectively against cigarette smuggling, environmental waste smuggling, New Psychoactive Substances and dangerous drugs trafficking by air transport. In 2013, the Department supported to extend the coverage of DSINS to cases detected at seaports under a trial run for one year. With the support of regional members at the National Contact Points Meeting, DSINS on sea cargoes has been endorsed as a regular project in A/P region since January 2015.

WCO Asia Pacific Regional Office for Capacity Building (ROCB A/P)

The Department has been working closely with ROCB A/P and supportive to their initiatives. An officer of the Department was seconded to ROCB A/P in Bangkok to work as Technical Attaché. In addition, an officer has been accredited as WCO Technical Operational Advisers on Intellectual Property Rights (IPR) to provide

training activities on behalf of WCO at international level. Up to now, a total of three officers have been accredited by WCO in the area of diagnostic study and IPR.

Asia Pacific Economic Co-operation (APEC)

In 2014, the Department participated actively in various APEC meetings and events in China.

In November 2014, the Department and the Japan Customs jointly organized a Workshop on IPR Border Enforcement in Hong Kong as one of the deliverables of the IPR Collective Action Plan of APEC. The three-day Workshop was well received as a platform for Customs and IPR enforcement officials to exchange views on enforcement strategies in combating IPR crime across the border. It also provided a valuable opportunity for both Customs and stakeholders on IPR protection to strengthen communication and enhance information exchange for future advancement of international IPR enforcement.



Participants exchanged views on IPR enforcement strategies during the Workshop.

At the 1st and 2nd APEC Sub-Committee on Customs Procedures Meeting held respectively in February and August 2014, the Department shared experiences with APEC member economies on the implementation of AEO Programme and exchanged views with member economies on various issues, including Customs' role in enhancing trade facilitation and control of goods along the supply chain. The emerging risks for Customs such as illegal activities in e-commerce were also discussed.

Co-operation with other Customs Administrations

Australia and New Zealand

Through two high-level bilateral conferences held in New Zealand and Australia, the Department has reached agreements with the Australian Customs and Border Protection Service (ACBPS) and the New Zealand Customs Service (NZCS) to strengthen mutual co-operation to effectively combat transnational crimes, in particular drug trafficking activities, and the emerging challenges brought about by globalization and e-commerce.

- **Revised Customs Cooperative Arrangement (CCA) with the ACBPS**

The Department concluded a revised CCA with ACBPS on 27 November 2014. The instrument aims at developing a closer strategic partnership on various operational fronts including the exchange of intelligence, trade facilitation, human resources management and technological capability enhancement between the two administrations. The revised CCA has replaced the Arrangement signed in 1992.



Commissioner of Customs and Excise, Mr Clement Cheung (right), and the Chief Executive Officer of ACBPS, Mr Roman Quaedvlieg signed the revised CCA.

- **Exchange of Joint Communiqué with NZCS**

On top of reaffirming the importance of ongoing co-operation on various areas including enforcement against drug smuggling and other organized crimes, the two administrations pledged to continue to work closely together in regional and multilateral fora by concluding a joint communiqué on 25 November 2014.

In addition to strengthening the strong and collaborative relationship on Customs enforcement front, NZCS also attached great importance on trade facilitation with Hong Kong through the mutual recognition of respective supply chain security programmes.



Commissioner of Customs and Excise, Mr Clement Cheung (left) and the Comptroller (Chief Executive) of NZCS, Ms Carolyn Tremain exchanged the joint communiqué .

Mainland and Macao Customs

- **The Annual Review Meeting with the General Administration of China Customs (GACC) in Hong Kong**

Between 14 and 16 July 2014, the Commissioner of Customs and Excise led a 7-member delegation to attend the Annual Review Meeting with GACC in Beijing. This was the 14th 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 achievements made in 2013 and agreed to strengthen co-operation on various fronts in the years ahead. A Co-operation Plan for 2014-2016 was endorsed by both parties.



Commissioner of Customs and Excise, Mr Clement Cheung (middle) met with Minister of GACC, Mr Yu Guangzhou (right) on 15 July 2014 during the Annual Review Meeting between GACC and Hong Kong Customs in Beijing.

- **The 32nd Annual Meeting with Macao Customs Service/Macao Economic Services in Macao**

On 17 September 2014, the Director-General of Macao Customs Service, Mr Chôî Lai Hang, led a 9-member delegation to attend the 32nd Annual Meeting between the Macao Customs Service/Macao Economic Services and Hong Kong Customs in Hong Kong. During the meeting, the two administrations discussed areas of emerging risk and matters of mutual concern, covering the issues of anti-smuggling and intellectual property protection.



Commissioner of Customs and Excise, Mr Clement Cheung (sixth right, front row) with Director-General of Macao Customs Service, Mr Chôî Lai Hang (fifth left, front row), and members of the delegation.

11. Information Technology

Since early-1980s, the Department has been adopting information technology (IT) in different areas to enhance efficiency and service quality.



Data Center staff conducting system maintenance checking on computer servers in Customs Headquarters Building.

Electronic Systems in Trade Facilitation

The Department is committed to promoting e-business via development of platforms to facilitate submission of selected trade documents. In this regard, the Road Cargo System was fully launched on 17 November 2011 while the Money Service Operators Licensing System was implemented on 30 September 2012.

The first mobile application of the Department, namely, “Hong Kong Car Tax”, was successfully launched on 30 May 2014 together with website enhancement. The mobile application is one of the enhanced features of the Motor Vehicles First Registration Tax (FRT) System. Among other things, it provides both traders and buyers basic information of published retail price (PRP), calculation of FRT and function to check approved PRPs.

The Department has also secured funding approval from the Finance Committee of the Legislative Council to implement a Dutiable Commodities System (DCS) by revamping the existing obsolete computer system and to provide better functions in relation to Dutiable Commodities administration. As a trade facilitation measure, DCS will extend the current electronic mode of operations for permit applications to licensing applications. The project commenced in July 2014 and is scheduled to complete in November 2016.

Computer Facilities for New Control Points and Customs Facilities

The Department is actively involved in the provision of computer facilities and equipment to support Customs operations at Guangzhou-Shenzhen-Hong Kong Express Rail Link, Hong Kong-Zhuhai-Macao Bridge, Liantang/Heung Yuen Wai Boundary Control Point, Midfield Concourse, Ocean Terminal, Tuen Mun Customs Marine Base and Intermodal Transfer Terminal due for commissioning from 2015 to 2019.

Computer Forensic Laboratory (CFL)

Rapid IT development enhances operational efficiency but also avails opportunity for those who exploit technology for the perpetration of crimes, rendering preservation and collection of digital evidence an indispensable part of investigation on computer-related offences. In 2000, CFL and Computer Analysis and Response Teams were set up to assist frontline investigators in analysis of digital evidence and subsequent prosecution in court.

In 2006, CFL was accredited with ISO 9001 on Quality Management and ISO 27001 on Information Security, becoming the first government computer forensic laboratory to do so and successfully establishing a set of standards on integrity and professionalism.



CFL staff conducting data recovery on physical hard disk.

Since its establishment, CFL has processed 847 cases involving 674 computers, 793 optical disc replicating machines, 852 mobile phones, 1 184 SIM cards and 1 022 memory cards that involved intellectual property right infringement, internet piracy, money laundering, drug trafficking, smuggling, false trade descriptions and revenue frauds.

12. Management Services and Development

Office of Service Quality and Management Audit

Responsibility for ensuring good performance of the Department falls on the Office of Service Quality and Management Audit (OQA) which is tasked to conduct various reviews and inspections. Through attempts to improve quality and ensure compliance with established policies, rules and procedures, OQA also assists in ad hoc projects and monitors achievement made towards fulfilling our corporate objectives and performance targets.

In recognition of its professionalism and capability, OQA was first awarded the ISO 9001:2000 Certificate for Quality Management System in April 2005, first of its kind ever obtained by the Department, progressing in 2009 to ISO 9001:2008 status. It is subject to external audit, the last one being done in July 2014.

When drawing up the annual business plan and job priority, OQA forges a close partnership with major formations through the Service Quality Projects Consultative Meeting that determines a set of deliverables for each financial year. This mechanism seeks to pool together ideas for fruitful and constructive outcome.

In recent years, OQA spearheaded a series of studies aimed at boosting efficacy and streamlining procedures that spanned across topics like handling of detained/seized articles in exhibit stores, private car clearance at land boundary control points, firearms training and test system, establishment reviews on investigation and surveillance teams as well as passenger and cargo clearance setups. The most recent ones focused on monitoring and control of investigation cases and seizure management, the intelligence-led mode of clearance strategy as well as assisting in Business Processing Reengineering Study for the Department's intelligence system with an aim to reviewing and enhancing the intelligence workflow process.

13. Planning and Development

New Control Points and Infrastructural Projects under Planning

A number of infrastructural projects are in the pipeline to support Hong Kong's continued economic development and cope with the flow of cross-boundary traffic:

- Guangzhou-Shenzhen-Hong Kong Express Rail Link.
- Hong Kong-Zhuhai-Macao Bridge.
- Liantang/Heung Yuen Wai Boundary Control Point.
- Midfield Expansion of Hong Kong International Airport (Phase I).
- Ocean Terminal.

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

Construction of XRL, which commenced in January 2010 and due for completion in 2017, will provide intercity connection 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 destined for major cities in the Mainland.

Proposed alignment for the Hong Kong section of XRL runs along a 26-km underground tunnel from West Kowloon Terminus to join the Mainland section at Huanggang. The total journey will take 48 minutes to arrive at Shibi and 14 minutes to reach Futian.

Hong Kong-Zhuhai-Macao Bridge (HZMB)

Construction of HZMB commenced in December 2009 while that of the Hong Kong Boundary Crossing Facilities and Hong Kong Link Road in December 2011 and May 2012 respectively. The anticipated completion date is under review by the relevant parties.

HZMB is of strategic importance to regional economic integration by bringing Hong Kong, Macao and the Western Pearl River Delta within a reachable 3-hour commuting radius. It comprises a 29.6 km bridge-cum-tunnel structure in the form of dual-3-lane carriageway starting from the artificial islands off Gongbei and Macao to the artificial island west of Hong Kong. Boundary crossing facilities will be set up by each government within its own respective territory.

Liantang/Heung Yuen Wai Boundary Control Point

The new boundary control point expected to become operational not later than 2018 will help to redistribute cross-boundary traffic amongst other existing crossings and alleviate congestion. It adopts “separate-location model” and “2-storey concept” design with a footprint of about 23 hectares on the Hong Kong side. Facilities for goods vehicles and public transport interchange are located on ground level, while the upper level will cater for passengers as well as private cars and coaches. The distance between immigration kiosks and customs checkpoints of the two sides will be minimized through an integrated passenger hall across the Shenzhen River.

Midfield Expansion of Hong Kong International Airport (Phase I)

To cater for the forecast air traffic demand up to 2020, the Airport Authority Hong Kong is implementing a midfield expansion project to provide additional aircraft stands and apron facilities and a new passenger concourse. Phase 1 of the midfield development, which comprises a midfield concourse (MFC) of 20 aircraft parking stands, is due for completion in 2015.

MFC is located between the existing two runways and west of the Terminal 1 with a total floor area of 73 000 m². It is connected to the Terminal 1 West Hall by Automated People Mover with designated handling capacity of 10 million passengers per annum.

Ocean Terminal

The Government re-granted the lease of Ocean Terminal to Wharf Holdings Limited for another term of 21 years on 12 June 2012, under which permanent Customs clearance facilities will be set up for cruise passengers by June 2017.

14. Administration

Human Resources Management

The Department's human resources management aims at strengthening the capabilities of staff in achieving the Department's mission and in delivering business results in an efficient and effective manner. The Department maintains a good and stable governance through the implementation of various established best practices in recruitment, performance management, promotion, reward, discipline and posting. Inspectorate, Customs Officer and Trade Controls Officer Grade officers will be exposed to core Customs functions at the early stage of their career with a view to enabling the development of professionalism. Through structured training, job rotation and career development opportunities, the Department has been able to develop a knowledgeable and responsive workforce to meet the organizational objectives and cope with the ever-changing operating environment.

Promotion of Staff Integrity and "Healthy Lifestyle"

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



Professor LAM Tai-hing was invited as guest speaker for Departmental Seminar.

On the publicity front, the departmental newsletter on promoting healthy lifestyle and staff integrity, “*The Pine*”, continued to instill the concept of healthy lifestyle into staff by widely covering stories of the following areas:

- Experience sharing of celebrities on positive and balanced work-life attitude.
- Participation in volunteer work and community services.
- Balanced diet.
- Care and love to family members, colleagues and community.

“*The Pine*” also had a caricature section to promote staff’s application of integrity and professional ethics principles as promulgated in the Code on Conduct and Discipline under different real-life circumstances.

On the education front, the Department worked hand-in-hand with professional institutions with a view to arousing staff’s concern on mental health. Eight series of Mental Health related courses and two Workshops on Handling of Problem Gamblers were organized in 2014.

Welfare, Sports and Recreation

In 2014, the Departmental Sports and Recreation Club organized over 200 sports and recreational events including charitable activities, training classes, performances and inter-command competitions for staff and their families.



Sports Day 2014.

To give a closer attention to staff welfare needs and to promote a caring culture among our colleagues, the Department fine-tuned the health and welfare management system. In 2014, there were 83 officers appointed as Health and Welfare Managers in various offices. These officers were provided with job related training and access to welfare-related information system to perform their job effectively. In addition to conducting periodic welfare visits, they acted as contact points for officers seeking assistance in matters related to welfare, health and work.

Apart from in-house assistance, the Department 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 and other non-governmental social welfare organizations also provided training sessions to Health and Welfare Managers as well as colleagues in different Formations in mental health first aid, handling of pathological gamblers, counselling skills and knowledge, etc.

15. 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 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 coordinating training and development programmes for members of the Customs and Excise Service as well as the Trade Controls Officer Grade officers. It also implements training policies determined by the Department's Training Steering Committee, which is chaired by the Deputy Commissioner. While OTD is responsible for cross-formation training and development, individual major formations are responsible for organizing formation-specific training.



The Customs and Excise Training School.

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 fulfill specific departmental functions. OTD organized a wide range of training programmes in 2014 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 140 officers to attend different training and attachment programmes hosted by academic institutions, customs organizations and law enforcement administrations in the Mainland and overseas in 2014.



Customs Command Course.

Foundation Learning and Development

A good foundation can help an organization grow stronger and healthier. To equip new recruits with better and practical job knowledge and skills, Customs and Excise Training School (CETS) has always taken proactive actions to provide high quality foundation training – induction and continuation – by upgrading its instructors' quality, instructional facilities and materials, and course syllabuses.



Foot Drill.

Besides discipline, virtues, integrity and healthy lifestyles, a diverse mix of knowledge (e.g. Laws of Hong Kong, import and export trade practices, leadership, foot drill, use of force, practical training and Putonghua) are incorporated into the induction training for both Inspector and Customs Officer recruits. To enable them to get acquaintance with the workplace environment, more simulated and interactive exercises were introduced. Moreover, relevant personalities will be invited to share vision and experience with the trainees.



Physical Fitness Training.



Firearms Training.

Language Proficiency

The increased flow of cross-boundary passenger traffic and intensified contact with the Mainland require officers to be proficient in Putonghua. To this end, the Department organized courses at intermediate level for all middle-ranking officers and above as well as job-related modules for frontline staff.

Personal Development of Staff

The Department advocates a schematic approach whereby senior and middle managers are nurtured through a designated roadmap. In 2014, two senior officers attended advanced leadership / management development programmes at renowned overseas institutes and 13 officers attended executive training or study visits in the Mainland.

Continuous Learning and Development

The Department embarks on a multi-pronged approach in promoting continuous learning and development in order to meet the ever-changing enforcement environment and rising public expectations. In addition to conventional classroom-type training, the Customs and Excise Information Portal launched in January 2008 paves way for individual officers to achieve self-learning through the Internet at his/her own paces. The Department also revamped the portal in September 2010 to offer enhanced features and a platform for staff unions and sports and recreation clubs to upload latest news.

The Department also collaborates with the Civil Service Training and Development Institute to deliver e-Learning through the Cyber Learning Centre Plus, with 20 programmes encompassing topics related to operational skills, communication, legal knowledge as well as integrity.

As a driving force for continuous development, the Department also holds annual Promotion Qualifying Examinations for Inspectors and Customs Officers to sustain professionalism.

Training on e-Learning.



Regional Training Centre (RTC) of the World Customs Organization (WCO)

As one of the WCO RTCs in Asia Pacific, CETS plays an active role in supporting the WCO's capacity building efforts. While maintaining the conventional role as a gatekeeper, Customs in the 21st Century has to be value-added as an effective trade facilitator on the other. To address the challenges, the Regional Office for Capacity Building Asia Pacific (ROCB A/P) has been co-ordinating amongst the seven RTCs and the customs administrations in the region for enhancing their capabilities since its establishment in 2004. To map out the training cooperation plans with ROCB A/P and heads of other RTCs, RTC Hong Kong attended the 10th Anniversary Ceremony of ROCB A/P in Thailand on 7 November 2014. RTC Hong Kong will keep up the close cooperation with ROCB A/P for the development of the capacity building activities at the regional level.



The 10th Anniversary Ceremony of ROCB A/P.

Mutual Training Assistance

Interaction among counterparts in the global customs community is a key to successful enforcement outcomes. In 2014, the Department sent 112 officers to receive training from or undergo attachment to other customs administrations and provided training to 30 visiting officials.

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 2014, a number of tailor-made courses such as “Basic Risk Assessment”, “Competence in

Manual Handling”, “Safety Inspection” as well as “Basic Occupational Health” were provided to our officers so as to equip them with the knowledge to identify and reduce potential risks at work and to run the safety management system of the Department.

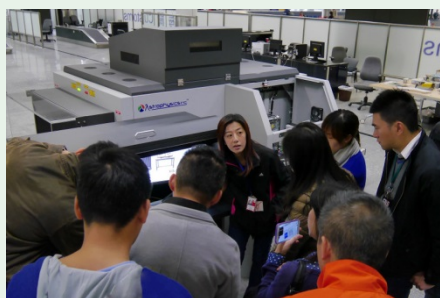
Specialized training

Customs officers encounter different levels of resistance or violence in their daily execution of duty. To safeguard officers’ safety, a number of specialized trainings were provided to frontline officers to enhance their capability in responding to various threats and the proper use of force in ever-changing enforcement situations. Other specialized trainings on investigations were also organized to strengthen officers’ ability in analyzing intelligence and in planning in-depth investigations against organized crimes. Overseas trainings on tactical safety and crime scene investigations were offered to officers to heighten their awareness of safety in raiding operations and the proper handling of evidences collected at crime scene.

The Department deploys specialized equipment such as X-ray screeners and trace contraband detectors to help frontline officers to detect contrabands. A number of Train-the-trainer courses were organized to develop professional trainers to train up the frontline operators to use the specialized equipment professionally.



Raiding Technique Course.



Train-the-trainer Course of X-ray Screener.



Train-the-trainer course of Trace Contraband Detector.

Prosecution-related training

Fundamental legal knowledge such as court procedures for criminal proceedings, preparation of case bundles, handling of exhibits and evidence, etc. are essential for Customs officers in preparing a criminal case for prosecution. A number of prosecution-related training activities were thus organized for frontline officers in 2014, including advanced legal trainings on criminal evidence and trial preparation, tailor-made outreach programmes for different formations, lectures on prosecution and forfeiture procedures, and mock trials, etc. with a view to keeping our officers abreast of the latest legal knowledge and courts' requirements.

16. Financial Administration

Revenue

The Department collected HK\$10,771 million of revenue in 2013-14, representing an increase of 4.3% over that for 2012-13. The increase was mainly attributable to the additional revenue collection from cigarettes, which was partly offset by the reduction in revenue collection from trade declaration charges.

The Department collected HK\$11,084 million of revenue in 2014-15, representing an increase of 2.9% over that for 2013-14. The increase was mainly attributable to the additional revenue collection from cigarettes, hydrocarbon oils as well as trade declaration charges.

A summary of the revenue collected in 2013-14 and 2014-15 is at Appendix 8.

Expenditure

The total expenditure of the Department in 2014-15 amounted to HK\$3.14 billion, of which 76.4% was on Personal Emoluments, 22.5% on Departmental Expenses and 1.1% on Capital Account Expenditure. The increase in expenditure of 6.1% over that for 2013-14 was mainly due to the impact of the 2014 civil service pay rise and the increase in operating expenses.

A summary of the total expenditure in 2013-14 and 2014-15 is at Appendix 9.

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

	2013-14	2014-15
	HK\$M	HK\$M
(a) Control and Enforcement	2,163	2,296
(b) Anti-narcotics Investigation	187	192
(c) Intellectual Property Rights and Consumer Protection	290	307
(d) Revenue Protection and Collection	170	175
(e) Trade Controls	151	173

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 73,501 sq.m. and 1,161 cu.m. respectively in 2014-15.

After forfeiture, the seized goods are disposed of by auction or destruction. The Department disposed of about 46 483 items of confiscated goods in 2014-15, 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\$20.68 million.

17. Criminal Prosecution

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

In 2014, the Department prosecuted 8 917 cases, of which 5 423 (60.8%) were related to the Import and Export Ordinance, 2 263 (25.4%) related to the Dutiable Commodities Ordinance, 529 (5.9%) related to the Trade Descriptions Ordinance, 326 (3.7%) related to the Dangerous Drugs Ordinance and 72 (0.8%) related to the Copyright Ordinance. A total of 8 898 persons and 321 companies were prosecuted, which resulted in total fines upon offenders of HK\$37.4 million and the imposition of immediate imprisonment in 1 012 cases.

Major Legislation Amendments

Toys and Children's Products Safety (Amendment) Ordinance 2013

The Toys and Children's Products Safety (Amendment) Ordinance 2013 came into effect on 1 July 2014. It expanded the definition of children's product to cover, in addition to the children's products specified in Schedule 2, other products that were intended to facilitate the feeding, hygiene, relaxation, sleep, sucking or teething of a child under 4 years of age and that contained any plasticised material. It had also made other amendments to the Ordinance to enable regulations to be made to control the concentration of six types of phthalates (namely BBP, DBP, DEHP, DIDP, DINP and DNOP) in certain toys and children's products.

Prosecution Summary

The past year was an eventful one with the successful prosecution and conviction of 8 564 persons and 305 companies. Details of the prosecution related figures are set out in Appendices 14-16.

Civil Enforcement

Undertaking

During 2014, the Department accepted in five occasions six written undertakings of traders which were believed to have committed an offence of applying a false trade description to their products in the course of trade or business / wrongly accepting payment. The written undertakings given by traders are commitments by them not to continue or repeat the conduct or commercial practice of concern, as well as to put in place compliance programmes for their staff for implementing the undertaking and meeting with the requirements under TDO. Brief descriptions of the related cases are set out below:

- a bakery promoted its bread products as “naturally made (天然)” and “no additive added (無添加)” in its advertising materials, representation and internet promotion without any elaboration or further explanation of what those terms meant. As some of the products contained artificial essences, adopting such descriptions would create a false impression among consumers that no additive has been used;
- a company offered rice for sale via a group-buying website at a promotional discount of 35% against the original price of HK\$260 per pack. This tactic misled consumers into believing that “group-buy special price at HK\$169 per pack” was a genuine bargain but in fact the rice was never sold at HK\$260 per pack before;
- a trader posted ham on its website and Facebook together with photograph of a famous Spanish slicing master and specific awards received by him. This depiction misled consumers into believing that the said master had processed or sliced the ham on offer;
- a vendor supplied lip balm through a group-buy website with advertisement depicting false net weight of 10.75g (actual weight 7g) and price discount (94% off); and
- an on-line shop selling baby products had accepted orders and payments for powdered formula, but was unable to deliver at the agreed time or provide full refund to consumers.

Liaison with the Department of Justice and Judiciary

In view of the complexity and seriousness of C&E cases, a regular meeting between C&ED and the Department of Justice (DoJ) was first held on 28 October 2014. During the meeting, C&ED reported the latest crime trends to the Director of Public Prosecutions and the two sides exchanged views on issues of case handling and prosecutions. Besides, to further enhance the communication and foster a closer cooperation with DoJ, representatives of the Department paid liaison visits to the Prosecutors' Office in the Magistrates' Courts. Briefings and site visits to land boundary control points were also arranged for Government Counsel for their better understanding of Customs clearance procedures and frontline enforcement strategies.

Chronicle

2014

January 2014

- Seized with the assistance of Customs Detector Dogs 1.07 kg of methamphetamine with a retail value of HK\$0.67 million and arrested one person from an inbound private car at Shenzhen Bay Control Point.



Seizure of 1.07 kg of methamphetamine at Shenzhen Bay Control Point.

- Seized a total of 5.3 million sticks of illicit cigarette with a retail value of HK\$8.2 million from cross-boundary lorries in two significant smuggling cases. The cigarettes were found mixed-loaded with general cargoes onboard the incoming vehicles with false declaration.

Cartons of illicit cigarettes were found mixed-loaded with general cargoes onboard the incoming vehicle.



- Carried out a large-scale operation before the Lunar New Year to combat the sale of counterfeit goods and smashed 29 cases involving the sale of 4 700 pieces of suspected counterfeit goods valued at about HK\$0.7 million. A total of 33 persons were arrested.

Suspected counterfeit goods seized during the operation.



- Seized 495 kg of seahorses with a value of about \$0.99 million from two 20-foot containers declared as “Leather Wet Salted” from Peru at the Kwai Chung containerized cargo examination compound. The seizures were concealed underneath the wet leathers.



The seized seahorses.

- Seized 1.6 kg of methamphetamine with a retail value of HK\$1.1 million from the suitcase of a passenger arriving from Thailand at the Airport.
- Seized 31.8 kg of cannabis resin with a retail value of HK\$3.1 million with one arrestee in Ngau Tau Kok.

24 kg of cannabis resin (part of the seizure) found in a residential flat.



- Seized 3.7 kg of Rhino horns with a retail value of HK\$0.6 million mingled with toys, shoes and garment being imported from France at the Airport.



Seizure of 3.7 kg of Rhino horns.



Rhino horns mingled with toys, shoes and garment.

- Seized 4.8 kg of cocaine (in powder form) with a retail value of HK\$5.2 million from a passenger arriving from Vietnam at the Airport. The cocaine was smuggled by way of concealment inside soap bars.

Cocaine concealed inside soap bars as camouflage.



- Seized 128 live turtles with a retail value of HK\$0.3 million from the baggage of two passengers arriving from Qatar at the Airport.



Turtles wrapped inside socks in the baggage.

February 2014

- Seized 6.1 million sticks of illicit cigarettes with a retail value of HK\$15.2 million from cross-boundary lorries in two significant smuggling cases. The cigarettes were found mixed-loaded with general cargoes onboard the incoming vehicles with false declaration.
- Seized a large batch of high-valued electronic goods including tablet computers, mobile phones, hard disks, Random Access Memory (RAM) sticks and accessories valued at HK\$5.82 million in an operation against coastal smuggling by speedboat in Tai Po.



Large batch of high-valued electronic goods seized at the seashore of Tai Po.

- Seized 4 kg of cannabis buds with a retail value of HK\$0.7 million with one arrestee in Mong Kok.
- Seized 2 kg of heroin with a retail value of HK\$1.6 million from the suitcase of a passenger arriving from Zimbabwe at the Airport.
- Seized 2.8 kg of cocaine and 14 g of crack cocaine with a retail value of HK\$3.2 million with three arrestees at Shenzhen Bay Control Point and Tsuen Wan.
- Seized 4 kg of cannabis buds and 8 g of crack cocaine with a retail value of HK\$0.7 million with two arrestees in Tin Shui Wai.

- Seized 4.3 kg of methamphetamine with a retail value of HK\$1.9 million with three arrestees at Shenzhen Bay Control Point.
- Conducted joint operation with Macao Judiciary Police which resulted in the seizure of 5 kg of methamphetamine with a retail value of HK\$2.2 million from the suitcase of a passenger departing for the Philippines at the Airport.
- Seized 0.3 kg of cocaine (in powder form) and 0.7 kg of heroin with a total retail value of HK\$0.9 million from the baggage of a passenger arriving from Uganda via Qatar at the Airport.

96 pellets of drugs placed inside two plastic bags and wrapped by towels.



- Seized 2 kg of heroin with a retail value of HK\$1.5 million from the baggage of a passenger arriving from South Africa at the Airport.



Heroin concealed inside the false compartment of a suitcase.

March 2014

- Seized 1 million sticks of illicit cigarettes with a retail value of HK\$2.8 million in an industrial building. The cigarettes were found concealing in fake compressors.

Illicit cigarettes were concealed in fake compressors while smuggling into Hong Kong.



- Raided a number of retail shops and storage centres for the sale and distribution of suspected counterfeit facial masks in the territory. During the operation, 5 119 boxes containing about 51 000 suspected counterfeit facial masks valued at about HK\$0.26 million were seized. 12 persons were arrested.



Some of the suspected counterfeit facial masks seized.

- Seized a large batch of edible bird's nests and high-valued electronic goods including RAM sticks, computer chips, hard disks, mobile phones, digital cameras, lens and accessories valued at HK\$3.57 million in a joint operation orchestrated with Marine Police against sea smuggling by speedboat in Sai Kung.



Edible bird's nests and assorted high-valued electronic goods seized in a joint operation.

- Seized a large batch of animal fur, frozen pangolin, Asiatic bony tongue (endangered species) and watches valued at HK\$5.21 million in a joint operation orchestrated with Marine Police against sea smuggling by speedboat in Tuen Mun.



Asiatic bony tongue, large batch of animal fur and frozen pangolin seized at the seashore in Tuen Mun.

- Seized 4.5 kg of methamphetamine with a retail value of HK\$1.9 million from the rucksack and the suitcase of a passenger at Shenzhen Bay Control Point.
- Seized 8 kg of herbal cannabis with a retail value of HK\$1 million in a parcel at the Airport.



8 kg of herbal cannabis found in a parcel.

- Seized 3.2 kg of methamphetamine with a retail value of HK\$1.4 million from the wearing vests of two passengers departing for New Zealand at the Airport.

3.2 kg of methamphetamine concealed inside the wearing vest.



- Seized 3 kg of methamphetamine with a retail value of HK\$1.3 million concealed in two reeling drums carried by a passenger at Lok Ma Chau Control Point.
- Seized 2.1 kg of methamphetamine with a retail value of HK\$0.9 million from the backpack of a passenger at Lok Ma Chau Control Point.
- Seized 4.1 kg of methamphetamine with a retail value of HK\$1.8 million from the suitcases of two passengers departing for New Zealand at the Airport.
- Mounted joint operation with New Zealand Customs Service, resulting in the seizure of 3.3 kg of methamphetamine concealed in skincare and shampoo bottles in the parcels with three arrestees in New Zealand.
- Seized 130 kg of American Ginseng without a valid import licence with a retail value of HK\$0.3 million being imported from Canada at the Airport.



Seizure of 130 kg of American Ginseng.

- Seized 0.7 kg of heroin with a retail value of HK\$0.6 million from a passenger arriving from Tanzania via Kenya at the Airport. The heroin was smuggled by way of internal concealment.

Pellets of heroin swallowed by the offender.



- Seized 18.2 kg of ivory cut pieces and 9.2 kg of worked ivory with a total retail value of HK\$0.19 million from an unclaimed baggage arriving from Angola via Ethiopia at the Airport.

Worked ivory and cut pieces.



April 2014

- Seized 2 kg of methamphetamine with a retail value of HK\$0.81 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 2 kg of methamphetamine at Lo Wu Control Point.



- Seized 820 g of heroin and 4 g of methamphetamine with a retail value of HK\$0.63 million and arrested an incoming local passenger at Spur Line Control Point.

Methamphetamine found from an incoming passenger.



- Seized with the assistance of Customs Detector Dogs 1.7 kg of methamphetamine with a retail value of HK\$0.99 million and arrested one person from an inbound cross-boundary coach at Lok Ma Chau Control Point.



Seizure of 1.7 kg of methamphetamine at Lok Ma Chau Control Point.

- Conducted a joint operation with Police in Tsim Sha Tsui to combat the selling of counterfeit goods. Six cases were detected with a total seizure of 1 156 items of suspected counterfeit goods valued at HK\$0.27 million. Seven persons were arrested.

Some of the suspected counterfeit goods seized in the operation.



- Conducted an operation and searched a children's learning institute for suspected infringing books. In the operation, about 500 full-colour copied books, three computers and three multi-functional photocopiers were seized. Suspected infringing soft copies of books were also found contained in some of the computers seized. The total seizure value is about HK\$0.11 million. Six persons were arrested.



Some of the full-colour copied books, computers and multi-functional photocopiers seized in the operation.



Some of the infringing books seized.

- Conducted a series of strike-and-search operations in Sai Wan, Mong Kok, Shau Kei Wan and Quarry Bay acting on information on the selling of counterfeit medicines, and successfully cracked down on a wholesale and retail syndicate involved in the selling of suspected counterfeit medicines. In the operations, a total of four cases were detected, with a total seizure of about 150 000 pills of suspected counterfeit medicines valued at about HK\$0.95 million. Eight persons were arrested.



The suspected counterfeit medicines seized in the operations.



- Raided two fruit retailer outlets offering suspected counterfeit oranges in Yuen Long. In the operation, about 5 200 suspected counterfeit oranges and about 112 000 suspected forged labels with a total value of about HK\$90,000 were seized. Four persons were arrested.

Some of the suspected counterfeit oranges seized.



- Seized a large quantity of seafood valued at HK\$2.51 million, including 4 844.5 kg of fresh salmon, 2 010 kg of live lobster and 1 376 kg of live geoduck onboard a fishing vessel in the waters off Ninepin Group. Three persons were arrested.



This was the largest seizure of live seafood since February 2010 and attracted mass media coverage.

- Seized 597 kg of agarwood (endangered species) and a large quantity of health drinks valued at HK\$6.02 million onboard a fishing vessel in the waters off Ninepin Group. Two persons were arrested.
- Seized about 12 000 sets of clothing bearing suspected forged trademarks “adidas”, “HUGO BOSS”, “LACOSTE” and “POLO” with a value of HK\$1.8 million from a transshipment container.



The seizure of counterfeit clothing.

- Seized 5.5 kg of ketamine with a retail value of HK\$0.7 million with two arrestees in Mong Kok and Kwun Tong.
- Seized 3.2 kg of heroin with a retail value of HK\$2.5 million packed on the bodies of three passengers at Shenzhen Bay Control Point.
- Seized 3 kg of cocaine with a retail value of HK\$3.1 million in a parcel at the Airport.

3 kg of cocaine soaked in the electronic children toy mattress found in the parcel.



- Seized 2.5 kg of methamphetamine with a retail value of HK\$1.1 million from the backpack of a passenger at Shenzhen Bay Control Point.
- Seized 2 kg of methamphetamine with a retail value of HK\$0.9 million concealed inside two aluminum tea leaf bags in a paper bag carried by a passenger at Lo Wu Control Point.
- Seized 2.1 kg of methamphetamine with a retail value of HK\$0.9 million from the luggage bag of a passenger at Shenzhen Bay Control Point.
- Seized 3.1 kg of cocaine with a retail value of HK\$3.2 million concealed inside four salad dressing in the suitcase of a passenger arriving from Brazil at the Airport.
- Seized 3.3 kg of cocaine with a retail value of HK\$3.4 million concealed inside six food dressing in the backpack of a passenger arriving from Brazil at the Airport.
- Seized 2.8 kg of cocaine with a retail value of HK\$2.8 million concealed inside four food dressing in the suitcase of a passenger arriving from Brazil at the Airport.
- Mounted joint operation with U.S. Immigration and Customs Enforcement, resulting in the seizure of 2 kg of methamphetamine with a retail value of HK\$0.9 million from the backpack of a passenger departing for Australia at the Airport.
- Mounted joint operation with U.S. Immigration and Customs Enforcement, resulting in the seizure of 2.7 kg of methamphetamine with a retail value of HK\$1.2 million from the suitcase of a passenger departing for Australia at the Airport.
- Mounted joint operation with U.S. Immigration and Customs Enforcement and U.S. Drug Enforcement Administration, resulting in the seizure of 2.2 kg of methamphetamine with a retail value of HK\$1 million concealed in two cans of tea leaves in the suitcase of the arrested person in Tsim Sha Tsui.
- Mounted joint operation with U.S. Immigration and Customs Enforcement and Australian Federal Police, resulting in the seizure of 2 kg of methamphetamine with a retail value of HK\$0.9 million concealed inside two reeling drums in the suitcase of a passenger departing for Australia at the Airport.

- Seized a total of 6.2 kg of cocaine (in liquid form) with retail value of HK\$6.4 million on two occasions from two passengers arriving from Brazil via South Africa at the Airport.



Liquid cocaine camouflaged as condiments.

May 2014

- Seized 3.6 million sticks of illicit cigarette with a retail value of HK\$9.8 million from cross-boundary lorries in two significant smuggling cases. The cigarettes were found mix-loaded with general cargoes with false declaration in one case and concealed in a false compartment onboard the incoming vehicle in another case.

Illicit cigarettes were found concealed in false compartment onboard the incoming vehicle.



- Conducted an operation at a store house in Fung Kat Heung, Yuen Long, acting on allegations about the selling of suspected counterfeit rice. In the operation, over 130 kg of suspected counterfeit rice with a value of about HK\$2,000 were seized. Five persons were arrested.

Seizures of a batch of suspected counterfeit rice at a store house in Fung Kat Heung, Yuen Long.



- Conducted an unprecedented operation against a syndicate which infringed the rights of the copyright owner by using set-top boxes as a media to distribute local paid channels to their subscribers by means of circumvention. In the operation, the Customs searched four residences, a warehouse and a stall. A batch of computer equipment and 41 TV set-top boxes for suspected uploading and watching paid TV channels were seized. The total seizure value was about HK\$0.14 million. Nine persons were arrested.

TV set-top boxes seized in the operation.



- Seized 167 cartons of illicit cigarettes with a value of HK\$5.8 million from an importing container conveyed by river trade vessel. The illicit cigarette was declared as “Bedpan”.



Illicit cigarettes seized at River Trade Terminal.

- Seized 2 kg of cocaine with a retail value of HK\$2.1 million from the suitcase of a passenger arriving from Colombia at the Airport.
- Seized 20 kg of ketamine and 5 g of methamphetamine with two arrestees in Lok Ma Chau.

19.8 kg of ketamine and 5 g of methamphetamine (part of the seizure) found in a residential flat.



- Seized 3 kg of cannabis buds with a retail value of HK\$0.5 million from a woven bag of a driver at Lok Ma Chau Control Point.
- Seized 7.6 kg of ketamine and 3 kg of methamphetamine with two arrestees in Sau Mau Ping.

- Seized 2 kg of cocaine (in paste form) with a retail value of HK\$2 million from the baggage of a passenger arriving from Colombia via Germany at the Airport.

Cocaine concealed inside the false compartment of a suitcase.



- Seized 1.3 kg of cocaine (in powder form) with a retail value of HK\$1.3 million from a passenger arriving from Cameroon via Ethiopia at the Airport. The cocaine was smuggled by way of internal concealment.

Pellets of cocaine swallowed by the passenger.



- Seized 4.47 kg of methamphetamine with a retail value of HK\$2.19 million concealed inside water heaters in two postal parcels destined for the UK at the Airport.

Methamphetamine concealed inside water heaters.



June 2014

- Seized 2 kg of methamphetamine with a retail value of HK\$1.1 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 2 kg of methamphetamine at Lo Wu Control Point.



- Seized 1.5 kg of methamphetamine and 220 g of ketamine with a retail value of HK\$0.81 million and arrested an incoming local passenger at Spur Line Control Point.

Seizure of 1.5 kg of methamphetamine and 220 g of ketamine at Spur Line Control Point.



- Under the "Mainland - Hong Kong Detector Dog Breeding Cooperation Pilot Programme", Hong Kong Customs has sent a stud dog, Alfie, to the General Administration of Customs of the People's Republic of China (GACC) for breeding. In June 2014, seven puppies were given birth at Beijing Detector Dog Base. GACC will select appropriate puppies for training and send back to Hong Kong for providing service.

Seven puppies were given birth at Beijing Detector Dog Base.



- Seized 8 kg of ketamine with a retail value of HK\$0.94 million from an incoming passenger at Lok Ma Chau Control Point.

Seizure of 8 kg of ketamine.



- Seized 3 340 kg of pangolin scales from two incoming containers imported from Cameroon and Kenya with a seizure value of HK\$16.7 million.

Seizure of Pangolin scales.



- Seized 2 kg of heroin with a retail value of HK\$1.6 million from the travelling bag of a passenger arriving from Thailand at the Airport.
- Seized 4 kg of methamphetamine with a retail value of HK\$2.1 million from the handbag of a passenger at Lo Wu Control Point and Tai Po.
- Mounted joint operation with U.S. Immigration and Customs Enforcement, resulting in the seizure of 2 kg of methamphetamine with a retail value of HK\$1.1 million from the suitcase of a passenger arriving from Malaysia at the Airport.

- Mounted joint operation with Royal Malaysian Customs, resulting in the seizure of 2 kg of methamphetamine concealed inside the candles in the parcel in Malaysia.
- Mounted joint operation with Australian Federal Police, resulting in the seizure of 2.3 kg of methamphetamine with a retail value of HK\$0.9 million from the suitcase of a passenger arriving from Malaysia at the Airport.
- Seized 3.28 kg of heroin with a retail value of HK\$1.2 million concealed inside the cardboard of three carton boxes being transshipped from Thailand to China via Hong Kong at the Airport.



Heroin concealed inside the cardboard of three carton boxes.

- Seized 1.8 kg of cocaine (in powder form) with a retail value of HK\$1.9 million from the baggage of a passenger arriving from Tanzania via Togo and Ethiopia at the Airport.



Cocaine concealed inside the false compartments between the partitions of a hand-carried briefcase.

- Seized 790 kg of ivory with a retail value of HK\$7.9 million from the baggage of 16 passengers arriving from Angola in transit to Cambodia at the Airport.



790 kg of ivory placed inside the baggage of 16 passengers.

July 2014

- Seized 1 453 numbers of mobile phone, 7 500 numbers of Secure Digital card, 1 120 numbers of computer chip, 5 185 numbers of computer RAM and Central Processing Unit (CPU) and 7.5 g of methamphetamine from five outbound container tractors with the arrest of five drivers at Sha Tau Kok Control Point. The total seizure value was HK\$12.3 million.



Container tractors were used for smuggling.

- Seized with the assistance of Customs Detector Dogs 1.5 kg of heroin with a retail value of HK\$1.1 million and arrested one person from an inbound private car at Lok Ma Chau Control Point.

Seizure of 1.5 kg of heroin.



- Seized a total of 1.1 million sticks of illicit cigarettes with a retail value of HK\$3 million from a cross-boundary lorry in a smuggling case. The cigarettes were found concealed in fake bakery ovens.

Illicit cigarettes were found concealed in fake bakery ovens onboard the incoming vehicle.



- Seized a batch of high valued electronic goods, including smart phones, smart phone boards, CPUs and computer RAMs, worth HK\$20.2 million, from five outbound container tractors at Sha Tau Kok Control Point and one repackaging center in Tuen Mun.

- Conducted an operation before the summer holiday acting on information and reports to combat the sale of counterfeit goods at street level in various districts and on internet platforms. The department smashed 31 suspected cases in stepped up enforcement action last month. A total of 42 persons were arrested. Suspected counterfeit goods including stationery, mobile phone cases, cosmetics, hair curlers, handbags, clothes, shoes and other items with a total value of about HK\$0.34 million were seized in the operation.

The suspected counterfeit goods seized.



- Mounted a special operation and raided a number of retail shops and warehouses, leading to a crackdown on a syndicate selling suspected counterfeit sportswear. In the operation, a total of 1 905 pairs of suspected counterfeit sports shoes and 104 pieces of suspected counterfeit clothing were seized, with a total value of about HK\$1.67 million. Seven persons were arrested.



Some of the suspected counterfeit sports shoes seized by Hong Kong Customs during the operation.

- Cracked down on a syndicate supplying suspected infringing textbooks to primary schools and parents in a recent operation. A total of over 7 400 suspected infringing textbooks of primary school were seized, the total seizure value is more than HK\$0.53 million. Four persons were arrested.

Suspected infringing textbooks of primary school seized by Customs Officers during the operation.



- Seized 2.3 kg of methamphetamine with a retail value of HK\$0.9 million in a parcel at an express company in Tsing Yi.
- Seized 6 kg of ketamine with a retail value of HK\$0.7 million with three arrestees in Lau Fau Shan.

- Seized 2.2 kg of cocaine with a retail value of HK\$2.2 million from the hand-carried bag and the wearing jacket of a passenger at the Airport.
- Mounted joint operation with Royal Malaysian Customs, resulting in the seizure of 2 kg of methamphetamine concealed inside the emergency lights in the parcel in Malaysia.
- Seized 2.4 kg of methamphetamine with a retail value of HK\$1 million concealed in the lining of handbags being exported to Australia from Hong Kong at the Airport.

Methamphetamine concealed in the lining of a handbag.



- Seized 7.9 kg of heroin with a retail value of HK\$6 million from an unclaimed baggage arriving from Hungary via Qatar at the Airport.

Two slabs of heroin placed inside the unclaimed baggage.



- Seized 3 kg of cocaine (in liquid form) with a retail value of HK\$2.9 million from the baggage of a passenger arriving from Brazil via Ethiopia at the Airport.



Liquid cocaine concealed inside three bottles of hair care products in the baggage.

- Seized 2 kg of methamphetamine with a retail value of HK\$0.84 million concealed inside handbags in two postal parcels destined for Malaysia and Australia at the Airport.

Methamphetamine concealed inside handbags.



August 2014

- Seized 2 kg of methamphetamine with a retail value of HK\$0.85 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 2 kg of methamphetamine at Lo Wu Control Point.



- Seized 2 kg of methamphetamine with a retail value of HK\$0.85 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 2 kg of methamphetamine at Lo Wu Control Point.



- Seized 2.2 million sticks of illicit cigarette with a retail value of HK\$4.7 million in industrial building. A company with an Import and Export Licence for Cigarettes was suspected to have mingled duty-not-paid cigarettes with duty-paid ones for sale, intending to evade about HK\$4.1 million duty potential.

Press conference was conducted for briefing on the special operation against a company involving suspected evasion of tobacco duty.



- Seized a batch of unmanifested electronic goods, silver beads, computer products and cigarettes, worth HK\$34.6 million, from two outbound container tractors at Lok Ma Chau Control Point and three repackaging centers in Tin Shui Wai, Sha Tin and Kowloon Bay. 10 syndicate members were arrested for conspiracy to export unmanifested cargoes.
- Seized a large quantity of high-valued assorted goods valued at HK\$8.97 million, including tablet and notebook computers, mobile phones, edible bird's nests, dried abalone, animal fur, vehicle spare parts, handheld game consoles, hard disks, air guns, etc. onboard a river trade vessel in the waters off Lung Kwu Tan. Five persons were arrested.

A large batch of seizure.



- Seized 2 kg of methamphetamine with a retail value of HK\$0.8 million from the suitcase of a passenger at the Airport.
- Seized 5 kg of ketamine with a retail value of HK\$0.6 million from a backpack of two passengers at Shenzhen Bay Control Point and further arrested one person in Yau Ma Tei.
- Seized 0.5 kg of cocaine with a retail value of HK\$0.5 million concealed inside a wooden case containing photo album arriving from Brazil at the Airport.



A wooden structure concealing cocaine found at the bottom of the wooden case.

- Seized 7.28 kg of methamphetamine with a retail value of HK\$3 million concealed in 23 handbags from a consignment being exported to Malaysia from Hong Kong at the Airport.



7.28 kg of methamphetamine concealed in the lining of 23 handbags.

- Seized 2.1 kg of cocaine (in liquid and powder forms) with a retail value of HK\$2.3 million from the baggage of a passenger arriving from Brazil via Ethiopia at the Airport.



Cocaine concealed inside bottles of hair care products.

- Seized 16 kg of ketamine with a retail value of HK\$1.95 million concealed in oatmeal packages in four postal parcels destined for USA at the Airport.



Ketamine concealed in oatmeal packages.

- Seized 2 kg of cocaine (in powder form) with a retail value of HK\$2.1 million from a passenger arriving from Colombia via Germany at the Airport. The cocaine was smuggled by way of body packing.

Cocaine found in a pair of compression shorts worn by the passenger.



September 2014

- Seized 2 kg of methamphetamine with a retail value of HK\$0.89 million and arrested an incoming local passenger at Spur Line Control Point.

Seizure of 2 kg of methamphetamine at Spur Line Control Point.



- Cracked down on two clandestine retail storehouses keeping and selling suspected counterfeit goods in a joint operation with Police in Mong Kok. A total of 2 360 suspected counterfeit goods including leather goods, watches and pens valued at over HK\$1 million were seized. Two persons were arrested.

The suspected counterfeit goods seized.



- Arrested a man for uploading a large quantity of suspected infringing copyright works to the internet for downloading by other people with the aim of getting monetary returns. This is the first case Customs has effected using the latest Lineament Monitoring System 1 Plus developed by the department. During the operation, two computers were seized and one person was arrested.
- Seized a large quantity of high-valued electronic goods valued at HK\$3 million, including hard disks, RAM sticks and mobile phones of latest model which was open for sale for only two days in a joint operation orchestrated with Marine Police against sea smuggling by speedboat in Sai Kung.
- Seized a large quantity of watches bearing forged trade mark of various brands including Omega, Rolex, Tag Heuer and Casio with a value of about HK\$3.22 million from one 40-foot transshipment container shipped from Huangpu and destined for Bangladesh via Hong Kong.



Seized watch bearing forged trade of Omega.

- Seized 2.4 kg of methamphetamine with a retail value of HK\$1.1 million in a parcel at an express company in Cheung Sha Wan.
- Seized of 38.2 kg of ketamine with a retail value of HK\$4.8 million with one arrestee in San Tin.
- Seized 12.5 kg of cannabis resin with a retail value of HK\$0.8 million concealed in a carton box of one passenger arriving from India at the Airport.
- Seized 2.1 kg of methamphetamine with a retail value of HK\$1.2 million in a parcel at an express company with two arrestees in Cheung Sha Wan.
- Seized 2.5 kg of cocaine with a retail value of HK\$2.6 million concealed in four bottles of hair care products in the suitcase of a passenger arriving from Brazil at the Airport.
- Mounted joint operation with Australian Federal Police, resulting in the seizure of 8 kg of methamphetamine concealed inside the two parcels with two arrestees in Australia.
- Mounted joint operation with Shenzhen Customs Anti-Smuggling Bureau, resulting in seizure of 17 kg of ketamine on board a vehicle with five arrestees in Shenzhen.

- Seized 1.92 kg of methamphetamine with a retail value of HK\$1 million concealed in the lining of handbags from a consignment being exported to Malaysia from Hong Kong at the Airport.



1.92 kg of methamphetamine concealed in the lining of 39 handbags.

- Seized 2.4 kg of cocaine (in liquid form) with a retail value of HK\$2.5 million from the baggage of a passenger arriving from Brazil via Dubai at the Airport.



Liquid cocaine concealed in four bottles of hair care products.

- Seized 1.8 kg of heroin with a retail value of HK\$1.4 million from the baggage of a passenger arriving from Malaysia at the Airport.



Heroin concealed in the front and back covers of three children's storybooks.

- Seized 1.68 kg of methamphetamine with a retail value of HK\$0.75 million concealed inside the wheels of a baby toy bike in a postal parcel destined for Malaysia at the Airport.

Methamphetamine concealed inside the wheels of a baby toy bike.



- Seized 2.43 kg of methamphetamine with a retail value of HK\$1.09 million concealed inside the printer cartridges in a postal parcel destined for Australia at the Airport.



Methamphetamine concealed inside printer cartridges.

October 2014

- Seized 2 kg of methamphetamine with a retail value of HK\$0.93 million and arrested an incoming local passenger at Lo Wu Control Point.



Seizure of 2 kg of methamphetamine at Lo Wu Control Point.

- Seized 5 kg of methamphetamine with a retail value of HK\$2.2 million concealed inside three rice cookers with the arrest of one incoming passenger at Shenzhen Bay Control Point.



Methamphetamine concealed inside three rice cookers.

- Seized 720 numbers of tablet PC with a value of HK\$3.2 million camouflaged as distilled water inside the storage compartment of an outbound cross boundary coach with the arrest of one driver at Shenzhen Bay Control Point.



Tablet PCs camouflaged as distilled water inside the storage compartment.

- Seized 3.2 million sticks of illicit cigarettes with a retail value of HK\$8.5 million from cross-boundary lorries in two significant smuggling cases. The cigarettes were found mix-loaded with general cargoes with false declaration in one case and concealed in a false compartment onboard the incoming vehicle in another case.
- Seized 18 086 kg of unmanifested red sandalwoods from an incoming sea container with a seizure value of HK\$7.2 million.



Seizure of red sandal wood.

- Conducted a series of blitz operations in Cheung Sha Wan, Tsing Yi and San Po Kong acting on information on the selling of counterfeit medicines, and successfully smashed a wholesale and retail syndicate involved in selling suspected counterfeit Chinese proprietary medicines. In the operations, a total of three cases were detected with total seizures of about 64 000 pills of suspected counterfeit medicines valued at about HK\$0.2 million. Four persons were arrested.



Suspected counterfeit medicines seized by Customs in the operations.

- Conducted a blitz operation at a warehouse in Shan Ha Tsuen, Yuen Long. A total of 112 bags, in 25-kg packages, of suspected counterfeit rice with a value of about HK\$33,600 were seized. Three persons were arrested.

Vehicle used in selling suspected counterfeit rice.



- Seized 2.1 kg of methamphetamine with a retail value of HK\$0.9 million packed on the bodies of two passengers departing for New Zealand at the Airport.
- Seized 4 kg of ketamine with a retail value of 0.5 million from the backpack in a 7-seater private car with the arrest of the driver and the passenger at Shenzhen Bay Control Point and further arrested one person in Kwai Chung.
- Mounted joint operation with German Customs, resulting in the seizure of 5.1 kg of cocaine with a retail value of HK\$5.3 million concealed in three parcels with two arrests in Sham Shui Po.
- Mounted joint operation with Australian Federal Police, resulting in the seizure of 4.5 kg of methamphetamine with a retail value of HK\$2 million from two backpacks in the baggage of a passenger departing for Australia at the Airport.
- Mounted joint operation with U.S. Immigration and Customs Enforcement and U.S. Drug Enforcement Administration, resulting in the seizure of 2 kg of ketamine concealed in a parcel in U.S.A.
- Seized 2 kg of methamphetamine with a retail value of HK\$0.85 million concealed inside the power amplifiers in a postal parcel destined for Australia at the Airport.

Methamphetamine concealed inside power amplifiers.



- Seized 3.66 kg of cocaine with a retail value of HK\$3.5 million from three parcels camouflaging as books from Bolivia via France at the Airport.



Cocaine wrapped in multi-layer papers and bags with book covers camouflaging as books.

- Seized 20 kg of cocaine (in liquid form) with a retail value of HK\$20.5 million from the baggage of a passenger arriving from Peru via the Netherlands at the Airport.



Liquid cocaine concealed in bottles of body care products and packages of salad dressing.

- Seized four watches with alligator skin strap with a retail value of HK\$0.3 million from the baggage of a passenger arriving from Mainland China at the Airport.

Watches with alligator skin strap.



November 2014

- Seized 2.1 kg of methamphetamine with a retail value of HK\$0.82 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 2.1 kg of methamphetamine at Lo Wu Control Point.



- Seized 4.4 kg of ketamine with a retail value of HK\$0.55 million and arrested an incoming local passenger at Spur Line Control Point.

Seizure of 4.4 kg of ketamine at Spur Line Control Point.



- Seized a batch of unmanifested electronic products including iPhone, iPad, iPad Air and iPad mini, worth HK\$12.2 million from two outgoing cross-boundary lorries at Lok Ma Chau Control Point.
- Seized 44.2 kg of unmanifested palladium blocks and 820 numbers of unmanifested computer RAM from a false compartment inside an outgoing cross-boundary tractor at Lok Ma Chau Control Point.

Seizure concealed inside a false compartment of the tractor.



- Seized 2.1 kg of methamphetamine with a retail value of HK\$0.9 million from the shoulder bag of a passenger at Shenzhen Bay Control Point and further arrested one person in Mong Kok.
- Seized 5.9 kg of methamphetamine with a retail value of HK\$2.4 million in a parcel at an express company in Tsuen Wan.
- Seized 2 kg of methamphetamine with a retail value of HK\$0.9 million in a parcel at an express company in Yuen Long.
- Seized 4.8 kg of ketamine with a retail value of HK\$0.6 million with one arrestee in Lau Fau Shan.
- Mounted joint operation with Australian Federal Police, resulting in the seizure of four litres of liquid methamphetamine in a parcel in Australia.
- Mounted joint operation with Australian Federal Police, resulting in the seizure of 4.1 kg of methamphetamine with a retail value of HK\$1.6 million concealed inside four electronic products in the suitcase of a passenger departing for Australia at the Airport.
- Mounted joint operation with Canada Border Service Agency, resulting in the seizure of 5 kg of cannabis buds with a retail value of HK\$0.9 million concealed inside the ice packs in the parcels at the Airport.
- Mounted joint operation with U.S. Immigration and Customs Enforcement, resulting in the seizure of 3.2 kg of methamphetamine with a retail value of HK\$1.3 million from the suitcase of a passenger departing for Australia at the Airport.
- Seized 163 kg of Swietenia Mahagoni with a retail value of HK\$0.3 million being imported from Bangladesh at the Airport.

Seizure of 163 kg of Swietenia Mahagoni.



- Seized 5.4 kg of cocaine (in powder form) with a retail value of HK\$5.7 million from the baggage of a passenger arriving from Brazil via United Arab Emirates and Mainland China at the Airport.

Cocaine in plastic bags concealed inside tin cans.



- Seized 33.3 kg of worked ivory painted in black found inside carton boxes.



Worked ivory painted in black found inside carton boxes.

- Seized 1.93 kg of methamphetamine with a retail value of HK\$0.82 million concealed inside platform sandals in two postal parcels destined for Malaysia at the Airport.

Methamphetamine concealed inside platform sandals.



- Seized 4.95 kg of cannabis buds with a retail value of HK\$0.9 million concealed in 33 ice packs placed underneath live crabs being imported from Canada at the Airport.

Cannabis buds concealed in ice packs.



- Seized 0.47 kg of cocaine with a retail value of HK\$0.5 million soaked in clothes in a postal parcel from Brazil at the Airport.

Clothes soaked with cocaine.



December 2014

- Seized 3 kg of methamphetamine with a retail value of HK\$1.2 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 3 kg of methamphetamine at Lo Wu Control Point.



- Seized 3 kg of methamphetamine with a retail value of HK\$1.2 million and arrested an incoming local passenger at Lo Wu Control Point.

Seizure of 3 kg of methamphetamine at Lo Wu Control Point.



- Confiscated HK\$112 million worth of assets involving transnational money laundering activities. The criminal used a bogus identity to open several shell companies and bank accounts in Hong Kong and overseas for diversion of the crime proceeds. Four Hong Kong people facilitating the money laundering scheme were arrested.
- Seized a batch of high valued electronic goods, including tablet computers, hard disks and mobile phones, worth HK\$68.2 million, from two containers on-board a River Trade Vessel departing for the Mainland.

- Seized 3.3 kg of unmanifested palladium blocks and plates, worth HK\$18.5 million, inside an outgoing cross-boundary 7-seater vehicle at Lok Ma Chau Control Point.

Palladium blocks and plates seized from a cross-boundary vehicle.



- Seized 92 170 kg of wood logs with a value of about HK\$9.2 million from four 40-foot containers declared as “Rubber Waste” from Guatemala at the Kwai Chung containerized cargo examination compound.
- Seized 11 760 kg of unmanufactured tobacco with a value of about HK\$0.16 million from a transshipment container conveyed by river trade vessel arrived from China and destined to Australia. The unmanufactured tobacco was declared as “signpost”. This was the largest smuggling case involving the transshipment of unmanufactured tobacco in the past decade.

The unmanufactured tobacco seized at the River Trade Terminal.



- Seized 2.2 kg of methamphetamine with a retail value of HK\$0.9 million in a parcel with 1 arrestee at an express company in Tsuen Wan.
- Seized 2.3 kg of cocaine with a retail value of HK\$2.4 million concealed inside the soles of three pairs of shoes in the baggage and packed on the body of one passenger departing for Australia at the Airport.
- Seized 4 kg of methamphetamine with a retail value of HK\$1.6 million packed on the bodies of two passengers departing for Indonesia at the Airport.
- Seized 7.8 kg of methamphetamine with a retail value of HK\$3.6 million concealed inside six shampoo bottles in the parcel with one arrestee at the Airport.
- Seized 2.4 kg of methamphetamine with a retail value of HK\$1 million packed on the body of a passenger departing for Australia at the Airport.
- Seized 2.5 kg of methamphetamine with a retail value of HK\$1 million concealed inside four lamp holders in a parcel at an express company in Cheung Sha Wan.
- Seized 2.2 kg of cocaine with a retail value of HK\$2.2 million from the backpack of a passenger arriving from Brazil at the Airport.

- Mounted joint operation with U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement, resulting in the seizure of 2 kg of cocaine with a retail value of HK\$2.1 million concealed inside a metal cylinder in the parcel with one arrestee in Yau Ma Tei.
- Conducted intelligence exchange with Belgium Customs, resulting in the seizure of 1,500 kg of granule containing controlled chemical 3,4-methylenedioxy-phenyl-2-propanone valued at HK\$1.5 million at an air cargo warehouse in Tsing Yi.
- Seized 10.2 kg of methylone with a retail value of HK\$2 million concealed inside 30 vacuum flasks being transshipped from China to Penang, Malaysia via Hong Kong at the Airport.



Methylone concealed inside a vacuum flask.



Seizure of methylone concealed in 30 vacuum flasks.

- Seized 9.8 kg of methylone with a retail value of HK\$1.9 million concealed inside foot bathing machines and color ribbons being transshipped from China to France via Hong Kong at the Airport.

9.8 kg of methylone concealed inside two foot bathing machines and 34 rolls of ribbon.



- Seized 11.7 kg of methamphetamine with a retail value of HK\$4.7 million from a consignment destined for Malaysia at the Airport. The methamphetamine was concealed inside the inner linings of 45 handbags.



Methamphetamine concealed inside the inner linings of 45 handbags.

- Seized 7 kg of cocaine (in powder form) with a retail value of HK\$7.5 million from the baggage of a passenger arriving from Brazil via Turkey at the Airport.



Cocaine concealed inside the false compartments of two empty backpacks.

- Seized 9 kg of cocaine (in powder form) with a retail value of HK\$9.6 million from the baggage of two passengers arriving from Brazil via United Arab Emirates at the Airport.



Cocaine concealed inside 12 cans of fruits.

- Seized 49.99 kg of liquid methamphetamine with a retail value of HK\$21.3 million camouflaged as shampoo in six postal parcels destined for Australia at the Airport.



Methamphetamine camouflaged as shampoo.

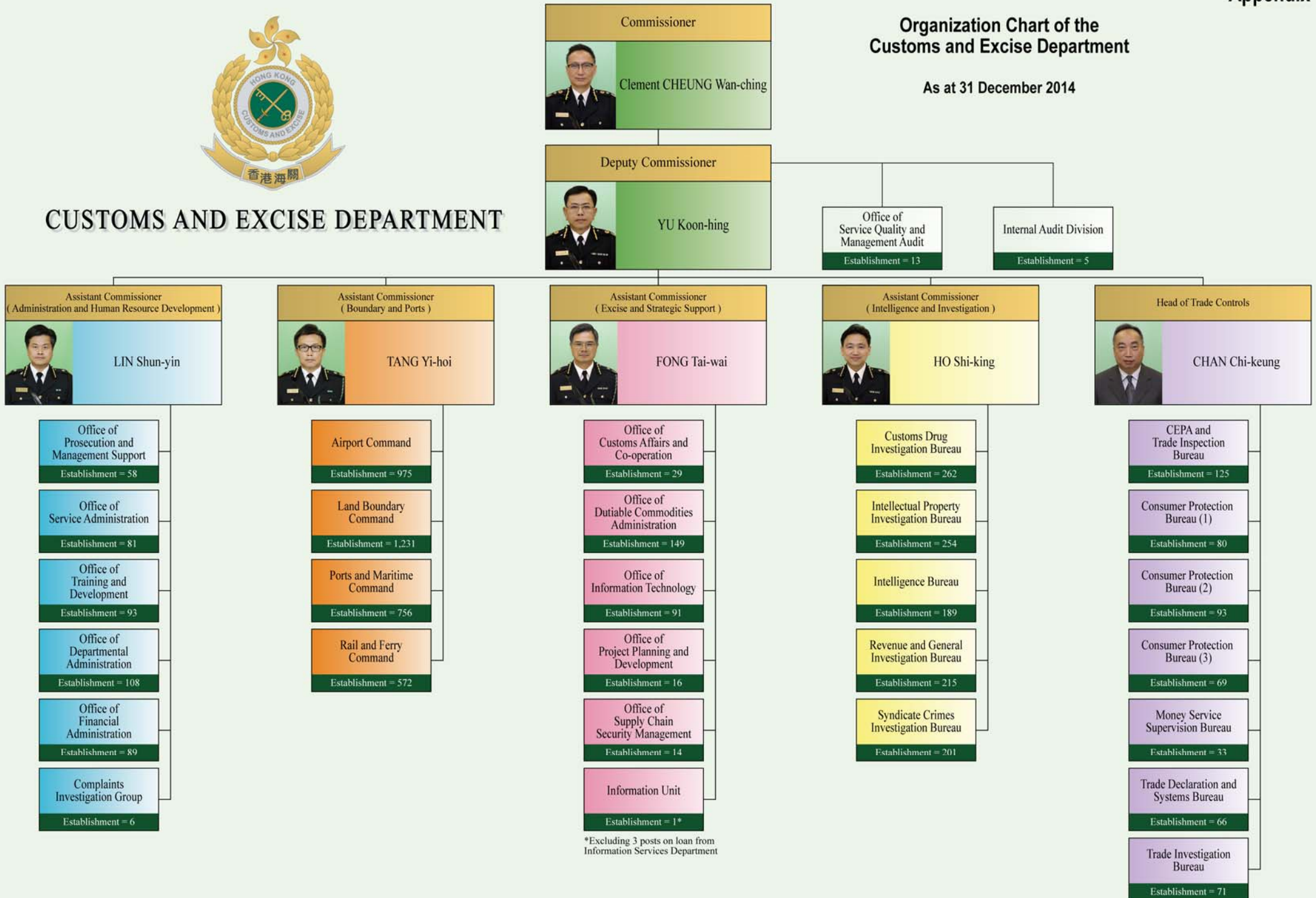
Appendices



CUSTOMS AND EXCISE DEPARTMENT

Organization Chart of the Customs and Excise Department

As at 31 December 2014



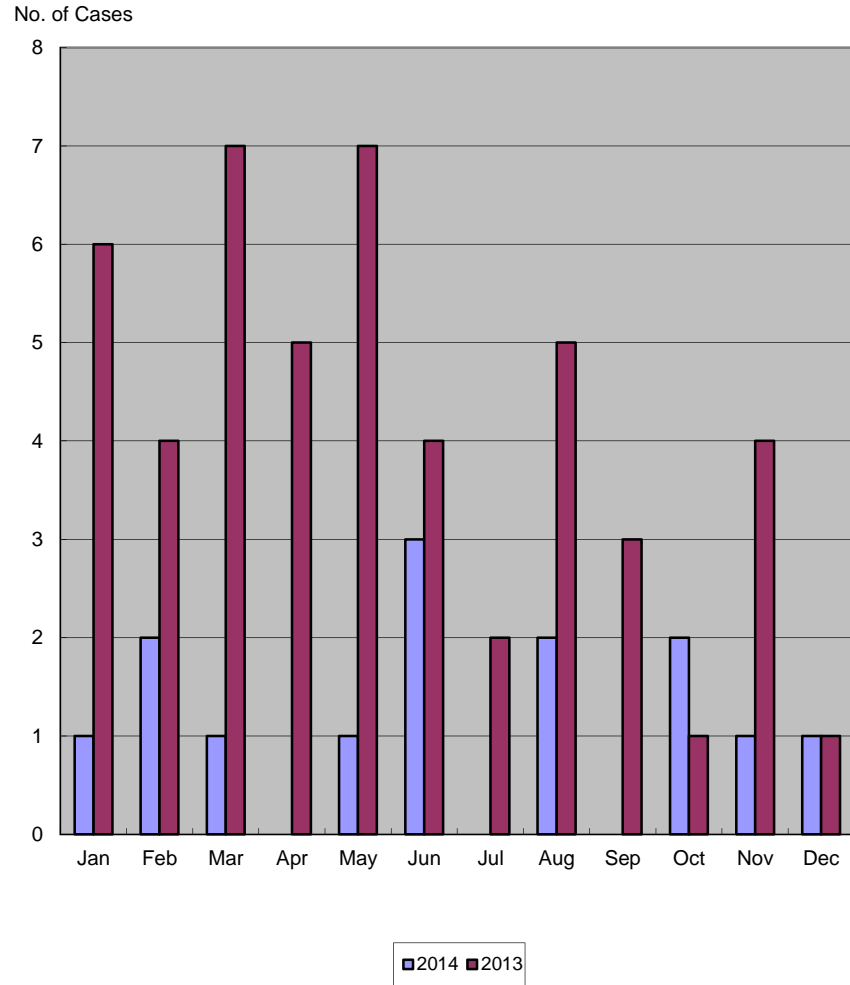
Remarks : Excluding 6 posts on secondment to Commerce and Economic Development Bureau, Financial Services and Treasury Bureau, Security Bureau and Aviation Security Co. Ltd.

Establishment and Strength Position

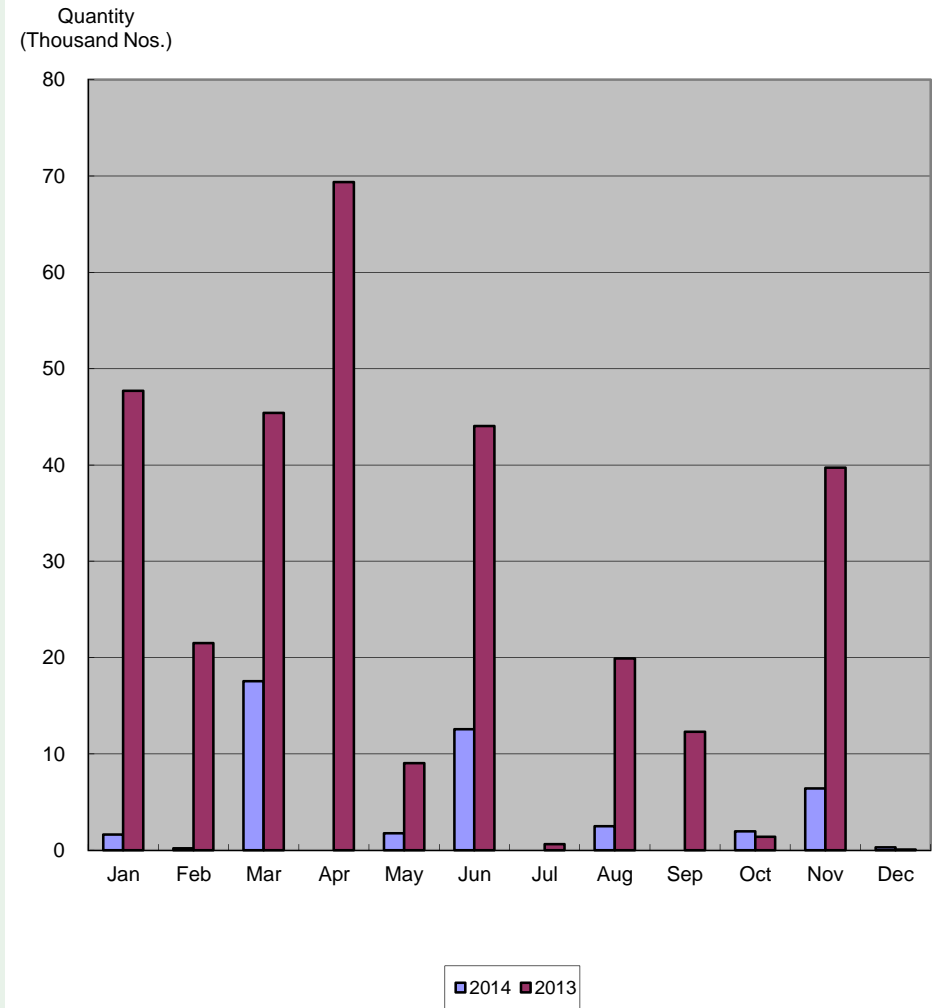
Category/Grade	2013		2014	
	(as at 31 December 2013)		(as at 31 December 2014)	
	Establishment (No.)	Strength (No.)	Establishment (No.)	Strength (No.)
Directorate Posts	9	8	9	10
Sub-total	9	8	9	10
Departmental Grades				
Superintendent/Inspector of Customs and Excise Grades	911	923	929	893
Customs Officer Grade	3,801	3,736	3,881	3,777
Trade Controls Officer Grade	473	464	500	487
Sub-total	5,185	5,123	5,310	5,157
General and Common Grades				
Executive Officer/Training Officer Grades	28	27	28	29
Treasury Accountant/Accounting Officer Grades	13	13	13	14
Official Languages Officer/Calligraphist Grades	19	19	19	19
Statistician/Statistical Officer Grades	5	6	5	5
Secretarial Grades	46	44	44	42
Clerical Grades	276	273	285	275
Supplies Grades	55	58	55	55
Others	203	181	190	173
Sub-total	645	621	639	612
Total	5,839	5,752	5,958	5,779

Statistics on Infringing Optical Disc Cases

No. of Infringing Optical Disc Cases (2014 vs 2013)

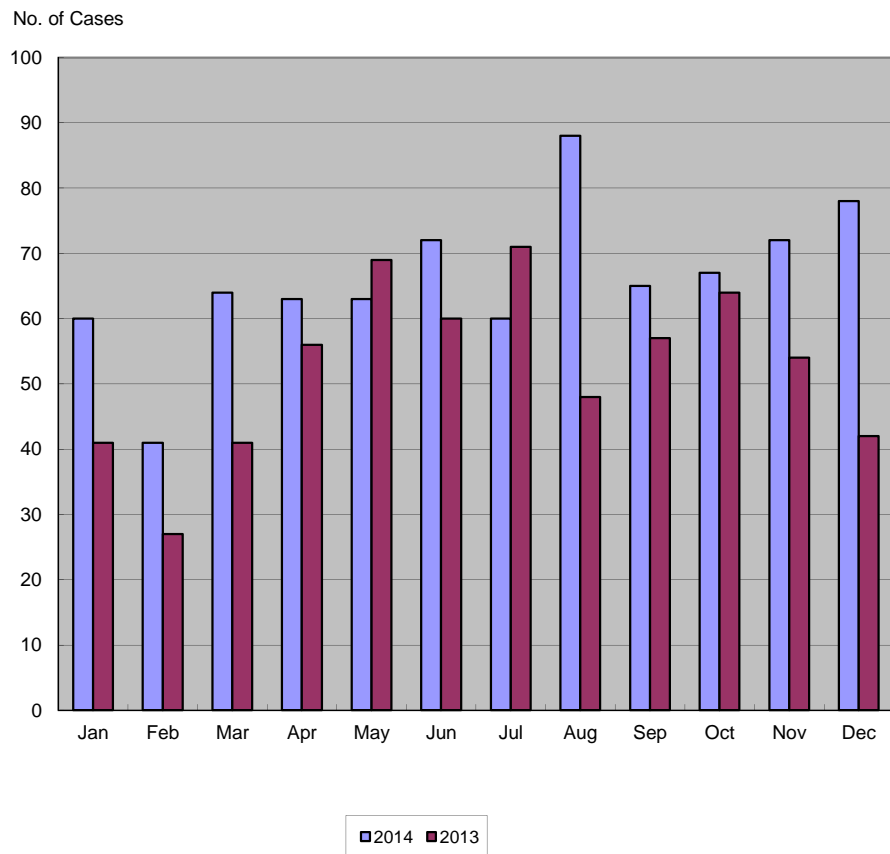


Quantity of Infringing Optical Disc Seized (2014 vs 2013)

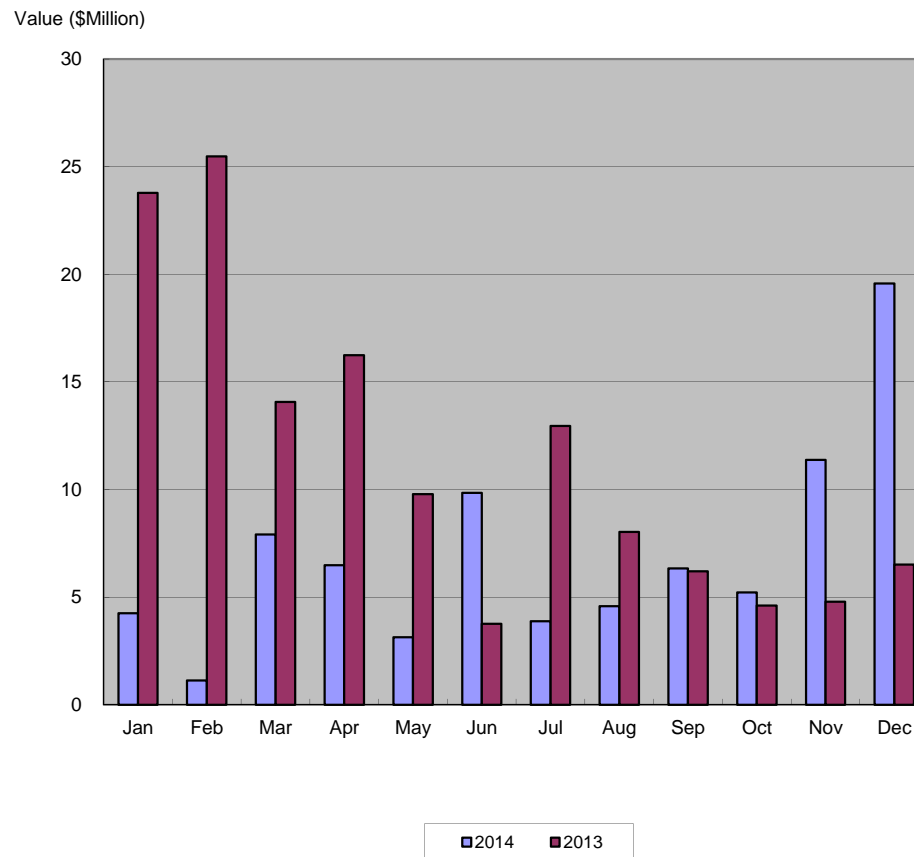


Statistics on Forged Trade Mark Cases

No. of Forged Trade Mark Cases (2014 vs 2013)

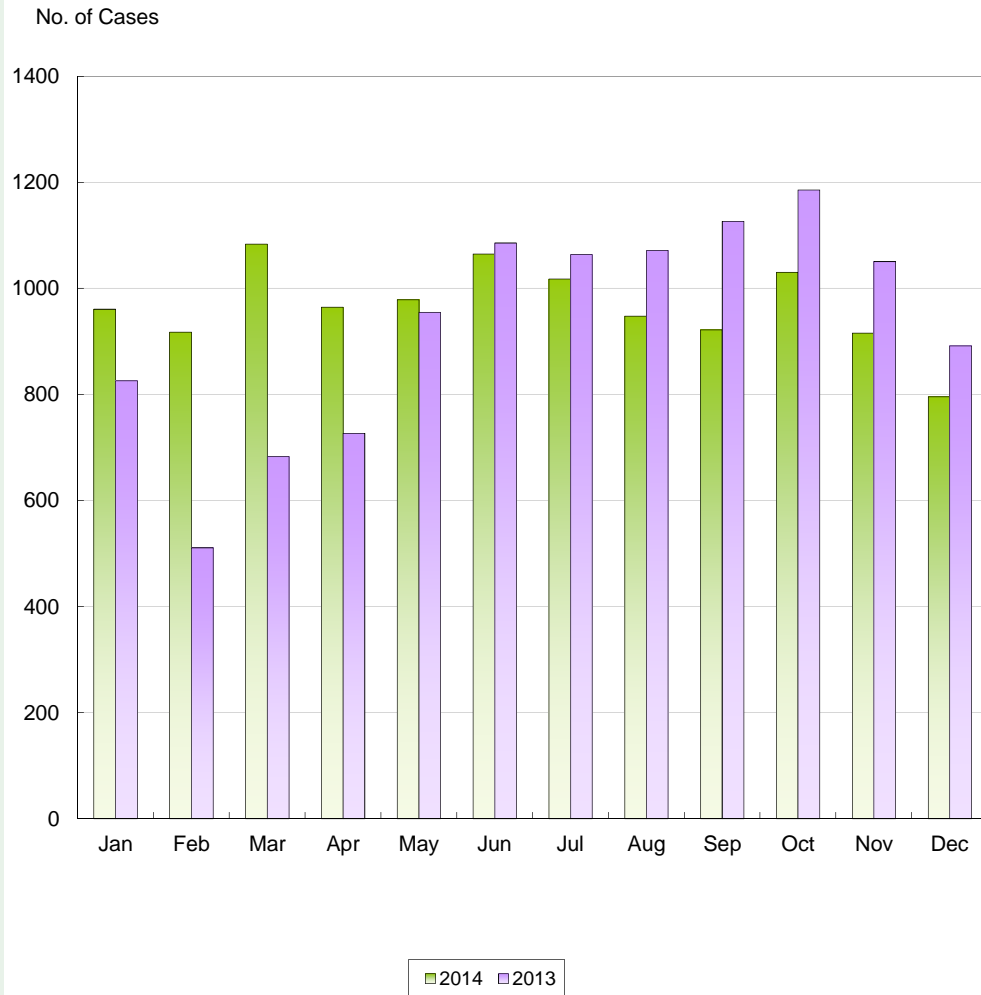


Value of Forged Trade Mark Goods Seized (2014 vs 2013)

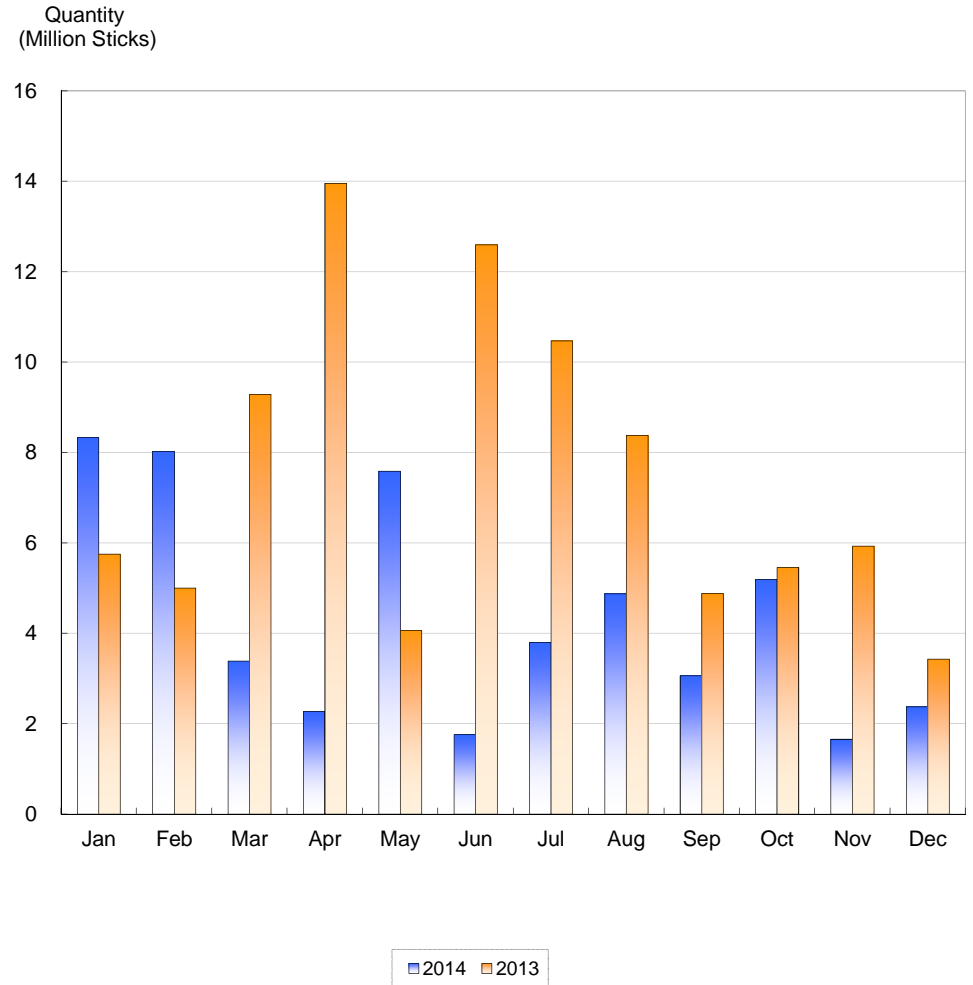


Result of Anti-cigarette Smuggling Operations

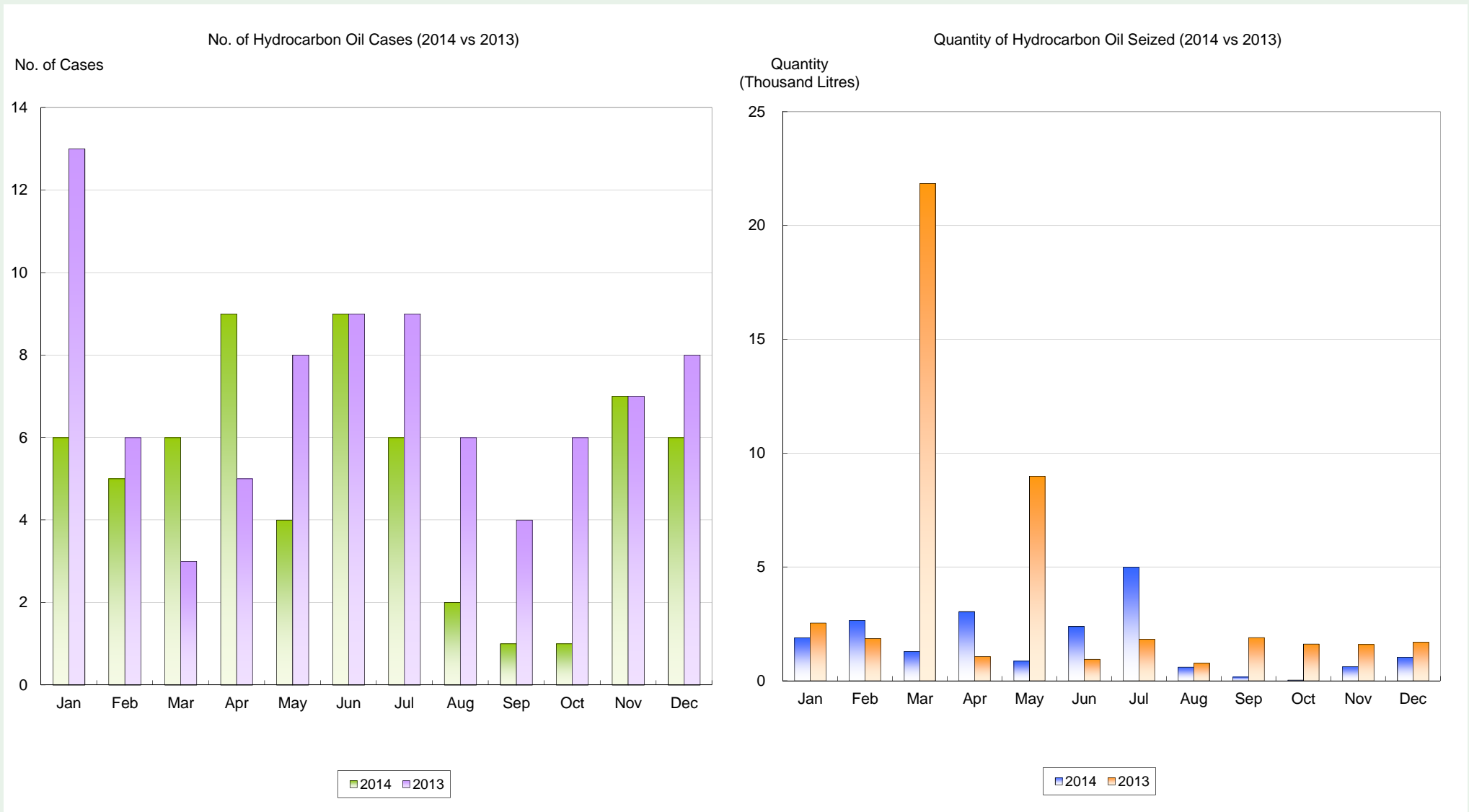
No. of Cigarette Smuggling Cases (2014 vs 2013)



Quantity of Smuggled Cigarettes Seized (2014 vs 2013)



Result of Hydrocarbon Oil Enforcement Operations



Legislation under which Customs staff can act

1	Interpretation and General Clauses Ordinance	Cap. 1
2	Import and Export Ordinance	Cap. 60
3	Weights and Measures Ordinance	Cap. 68
4	Post Office Ordinance	Cap. 98
5	Telecommunications Ordinance	Cap. 106
6	Dutiable Commodities Ordinance	Cap. 109
7	Immigration Ordinance	Cap. 115
8	Public Revenue Protection Ordinance	Cap. 120
9	Public Health and Municipal Services Ordinance	Cap. 132
10	Pesticides Ordinance	Cap. 133
11	Dangerous Drugs Ordinance	Cap. 134
12	Antibiotics Ordinance	Cap. 137
13	Pharmacy and Poisons Ordinance	Cap. 138
14	Public Health (Animals and Birds) Ordinance	Cap. 139
15	Control of Chemicals Ordinance	Cap. 145
16	Crimes Ordinance	Cap. 200
17	Plant (Importation and Pest Control) Ordinance	Cap. 207
18	Weapons Ordinance	Cap. 217
19	Magistrates Ordinance	Cap. 227
20	Police Force Ordinance	Cap. 232
21	Firearms and Ammunition Ordinance	Cap. 238
22	Marine Fish (Marketing and Exportation) Regulations	Cap. 291A
23	Dangerous Goods Ordinance	Cap. 295
24	Reserved Commodities Ordinance	Cap. 296
25	Air Pollution Control Ordinance	Cap. 311
26	Shipping and Port Control Ordinance	Cap. 313
27	Industrial Training (Clothing Industry) Ordinance	Cap. 318
28	Protection of Non-Government Certificates of Origin Ordinance	Cap. 324
29	Motor Vehicles (First Registration Tax) Ordinance	Cap. 330
30	Customs and Excise Service Ordinance	Cap. 342
31	Waste Disposal Ordinance	Cap. 354
32	Trade Descriptions Ordinance	Cap. 362
33	Smoking (Public Health) Ordinance	Cap. 371
34	Control of Obscene and Indecent Articles Ordinance	Cap. 390
35	Ozone Layer Protection Ordinance	Cap. 403
36	Drug Trafficking (Recovery of Proceeds) Ordinance	Cap. 405
37	Rabies Ordinance	Cap. 421
38	Toys and Children's Products Safety Ordinance	Cap. 424
39	Organized and Serious Crimes Ordinance	Cap. 455
40	Consumer Goods Safety Ordinance	Cap. 456
41	Fugitive Offenders Ordinance	Cap. 503
42	Mutual Legal Assistance in Criminal Matters Ordinance	Cap. 525
43	Weapons of Mass Destruction (Control of Provision of Services) Ordinance	Cap. 526
44	Copyright Ordinance	Cap. 528
45	United Nations Sanctions Ordinance	Cap. 537
46	Prevention of Copyright Piracy Ordinance	Cap. 544
47	Merchant Shipping (Local Vessels) Ordinance	Cap. 548
48	Chinese Medicine Ordinance	Cap. 549
49	Broadcasting Ordinance	Cap. 562
50	United Nations (Anti-Terrorism Measures) Ordinance	Cap. 575
51	Chemical Weapons (Convention) Ordinance	Cap. 578
52	Prevention of Child Pornography Ordinance	Cap. 579
53	Protection of Endangered Species of Animals and Plants Ordinance	Cap. 586
54	Interception of Communications and Surveillance Ordinance	Cap. 589
55	Food Safety Ordinance	Cap. 612
56	Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance	Cap. 615

Actual revenue for 2013-14 and 2014-15

	Actual Revenue	
	2013-14	2014-15
	HK\$'000	HK\$'000
Duties		
Hydrocarbon Oils	3,451,498	3,529,197
Tobacco	5,848,515	6,068,965
Alcoholic Beverages	415,045	406,078
Other Alcoholic Products	5,146	5,503
Sub-total	9,720,204	10,009,743
Fees charged under Dutiable Commodities Ordinance		
Licence Fees	4,777	4,785
Attendance Fees	488	441
Denaturing Fees	321	230
Storage Fees	0	0
Sub-total	5,586	5,456
Trade Declaration Charges		
Imports and Exports Declaration Charges	878,378	912,927
Clothing Levy Service Charges (see Note)	63	70
Penalties	91,354	84,821
Sub-total	969,795	997,818
Miscellaneous	75,187	71,384
Total	10,770,772	11,084,401
Note : Clothing Industry Training Levy collected on behalf of the Clothing Industry Training Authority	525	423

Actual expenditure for 2013-14 and 2014-15

	Actual Expenditure	
	2013-14	2014-15
	HK\$'000	HK\$'000
Operating Account		
Personal Emoluments		
Salaries	2,181,868	2,333,374
Allowances	58,043	57,459
Job-related allowances	9,213	9,870
Sub-total	2,249,124	2,400,703
Other Expenses		
Personnel related expenses	73,134	84,777
Rewards and special services	10,010	11,773
General departmental expenses	550,246	568,835
Land usage cost	3,978	3,908
Grant to the Customs and Excise Service Welfare Fund	270	278
Seizure management	39,048	36,313
Sub-total	676,686	705,884
Capital Account		
Plant, vehicles and equipment	10,231	18,321
Minor plant, vehicles and equipment	24,810	17,613
Sub-total	35,041	35,934
Total	2,960,851	3,142,521

Case Statistics (2013)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Anti-Money Laundering and Counter-Terrorist	24	12	7
Antibiotics	2	2	2
Consumer Goods Safety	47	-	12
Control of Chemicals	33	13	202
Control of Obscene & Indecent Articles	1	-	5
Copyright / Prevention of Copyright Piracy	99	143	8,794
Customs & Excise Service	12	14	2,817
Dangerous Drugs	516	439	338,317
Dangerous Goods	5	5	261
Dutiable Commodities	18 650	11 629	132,659
Firearms & Ammunition	28	20	6,986
Immigration	102	117	9,619
Import & Export	4 804	4 535	699,034
Interpretation and General Clauses	1	-	1
Merchant Shipping (local vessels)	14	34	2
Organized & Serious Crimes	1	2	21,398
Pharmacy & Poisons	51	27	16,215
Plant (Importation & Pest Control)	5	5	1
Prevention of Cruelty to Animals	2	2	65
Protection of ES of Animals & Plants	387	264	69,264
Public Health & Municipal Services	373	355	3,204
Public Health (Animals & Birds)	8	5	42
Rabies	10	10	7
Registration of Persons	10	10	2
Reserved Commodities	32	25	39
Telecommunication	5	5	1,759
Toys & Children's Products Safety	76	-	119
Trade Descriptions	752	663	146,331
Waste Disposal	42	-	6,034
Weapons	29	21	162
Weights & Measures	179	2	208
Other Ordinances	97	67	1,228
All Ordinances *	26 042	18 153	1,325,376

Case Statistics (2014)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Consumer Goods Safety	50	-	278
Control of Chemicals	4	-	1,500
Copyright / Prevention of Copyright Piracy	60	87	3,016
Criminal Procedure	2	7	25,058
Customs & Excise Service	29	40	2,405
Dangerous Drugs	797	442	427,655
Dangerous Goods	6	11	329
Dutiable Commodities	19 447	11 923	91,886
Firearms & Ammunition	81	21	505
Immigration	93	129	7,429
Import & Export	5 412	5 260	549,968
Merchant Shipping (local vessels)	12	30	1,561
Organized & Serious Crimes	2	5	37
Ozone Layer Protection	1	-	26
Pharmacy & Poisons	88	41	11,994
Plant (Importation & Pest Control)	2	1	4
Protection of ES of Animals & Plants	461	353	94,795
Public Health & Municipal Services	311	294	218
Public Health (Animals & Birds)	8	7	17
Rabies	17	16	6
Reserved Commodities	22	12	324
Shipping and Port Control	1	1	6,020
Telecommunication	7	-	96
Toys & Children's Products Safety	46	-	29
Trade Descriptions	1 076	752	93,264
Waste Disposal	35	-	4,364
Weapons	53	22	1,725
Weights & Measures	177	-	268
Other Ordinances	98	58	8,938
All Ordinances *	28 052	19 161	1,227,037

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

Major Seized Items

Ordinance Major Seized Item	2013		2014	
	Quantity	Estimated Value of Seized Items (HK\$'000)	Quantity	Estimated Value of Seized Items (HK\$'000)
Dangerous Drugs ⁽¹⁾				
Heroin (kg)	53.9	50,043	39.6	31,772
Opium (kg)	4.1	392	-	-
Cannabis (kg)	48.6	5,486	66.9	8,633
Ketamine (kg)	47.6	6,005	126.5	15,676
Cocaine (kg)	173.9	195,798	103.9	132,113
Methamphetamine (kg)	83.4	63,358	416.3	187,252
MDMA (tablet)	273	131	-	49
Other psychotropic drugs (tablet)	112 253	5,467	66 447	48,091
Dutiable Commodities ⁽²⁾				
Cigarette (mille)	90 672	221,962	54 421	138,273
Other tobacco (kg)	11 437	18,489	12 815	2,194
Hydrocarbon oil ('000 litre)	47	517	20	288
Liquor ('000 litre)	9	1,208	7	1,640
Import & Export				
Mobile phone (no.)	157 916	37,920	258 487	87,127
Motor vehicle (no.) ⁽³⁾	61	11,265	134	15,351
Vessel / speedboat (no.)	11	456	30	729
Copyright				
Optical disc ('000 no.)	311	6,065	45	978
Book and printing material (no.)	79	9	9 951	738
Counterfeit Goods				
Garment and accessories ('000 pc)	408	27,527	342	20,315
Leather goods ('000 pc)	126	17,506	51	6,886
Watch and parts ('000 no.)	62	10,584	166	19,094
Footwear ('000 pairs)	111	14,322	78	14,230
Pharmaceutical products ('000 no.)	160	13,590	176	4,390
Electronic, electrical & computer goods ('000 no.)	516	28,831	71	5,635
Others				
Ivory & related products (kg)	7 936	84,383	2 215	21,160
Fireworks (kg)	6	0.4	28	1
Pornographic optical disc/ video tape (no.)	232	5	682	10
Firearms and parts (no.)	38	17	510	75

(1) The estimated value of seized items includes dangerous drugs measured in different units of measurement.

(2) Include all ordinances

(3) Exclude dismantled/compressed vehicles and bicycles.

Stop & Search of Persons / Vehicles and Road Block Operations

		2013	2014
1. At Control Points			
(i)	No. of persons stopped and searched	85 950	95 580
(ii)	No. of vehicles checked	484 110	423 710
2. Road Block and Road Check Operations			
(i)	No. of operations	-	-
(ii)	No. of vehicles checked	-	-

Training and Development Activities

Programme	No. of classes	
	2013	2014
Induction and Continuation		
Induction Course:		
<i>For probationary Inspectors</i>	5	6
<i>For probationary Customs Officers</i>	18	16
<i>For probationary Assistant Trade Controls Officers</i>	2	2
Continuation Course:		
<i>For probationary Inspectors</i>	1	2
Functional Competency		
<i>For C&E Service Members</i>		
Legal Training Workshop for Inspectorate Officers	1	
Raiding Techniques Course	1	4
Criminal Intelligence Analysis Training	1	
Standard Criminal Investigation Course	4	3
Commercial Crime Investigation Course	1	3
Accident Investigation & Prevention Course	2	1
Basic Safety Management Course	1	1
Seminar on Administrative Laws	1	
Raiding, Apprehension and Escort (RAE) Course for Frontline Officers	8	5
Safe Handling of Chemicals Course	1	1
Safe Use of Display Screen Equipment Course	1	1
Certificate of Competence in Manual Handling Course	3	2
Seafreight Operation Course	1	1
Import and Export Trade Practices Course	1	1
Dog Bite Safety Course	1	2
Office Safety Course	1	1
Prevention of Heat Stroke at Work in a Hot Environment Course	1	1
Mental Health First Aid Course	2	1
i2 Analysts Notebook and iBridge User Training Course		1
Information Security Essentials: Trends & Latest Updates	1	1
Mental Health First Aid Standard Course Extension - Peer Counseling & Skills	2	1
Workshop on Handling of Problem Gambling	2	1
Health Hints on the Use of Display Screen Equipment	1	
General Training Course on Occupational Safety and Health	1	
Experience Sharing Seminar on Occupational Safety and Health	1	1
Safety Inspection Course	2	1
Basic Occupational Health Course	1	1
Basic Risk Assessment Course	1	2
Intelligence & Investigation Course	3	5
Training Course for Health and Welfare Managers	3	
Conflict Management Course	1	1
Advanced Legal Training Course for Prosecution Liaison Officers / OC Cases	1	1
Train-the-Trainer Course on Video Interview System	1	1
Train-the-Trainer Course on X-ray Screener	1	1
Train-the-Trainer Course on Trace Contraband Detector	3	3
Cargo Processing Course	3	3
Passenger Processing Course	2	4
Foot Drill Instructor Course	2	
Bronze Medallion Lifesaving Course	1	
Swimming Techniques Training Course	2	
Firearms and Special Equipment Training Courses	37	27
Use of Oleoresin Capsicum Foam		
Range Management Course	1	1
Arms Cleaning Course	3	
HK MP5 Sub-machine Gun Training Course		1
Annual HK MP5 Sub-machine Gun Refresher Course	3	4
Shotgun Training Course	3	3

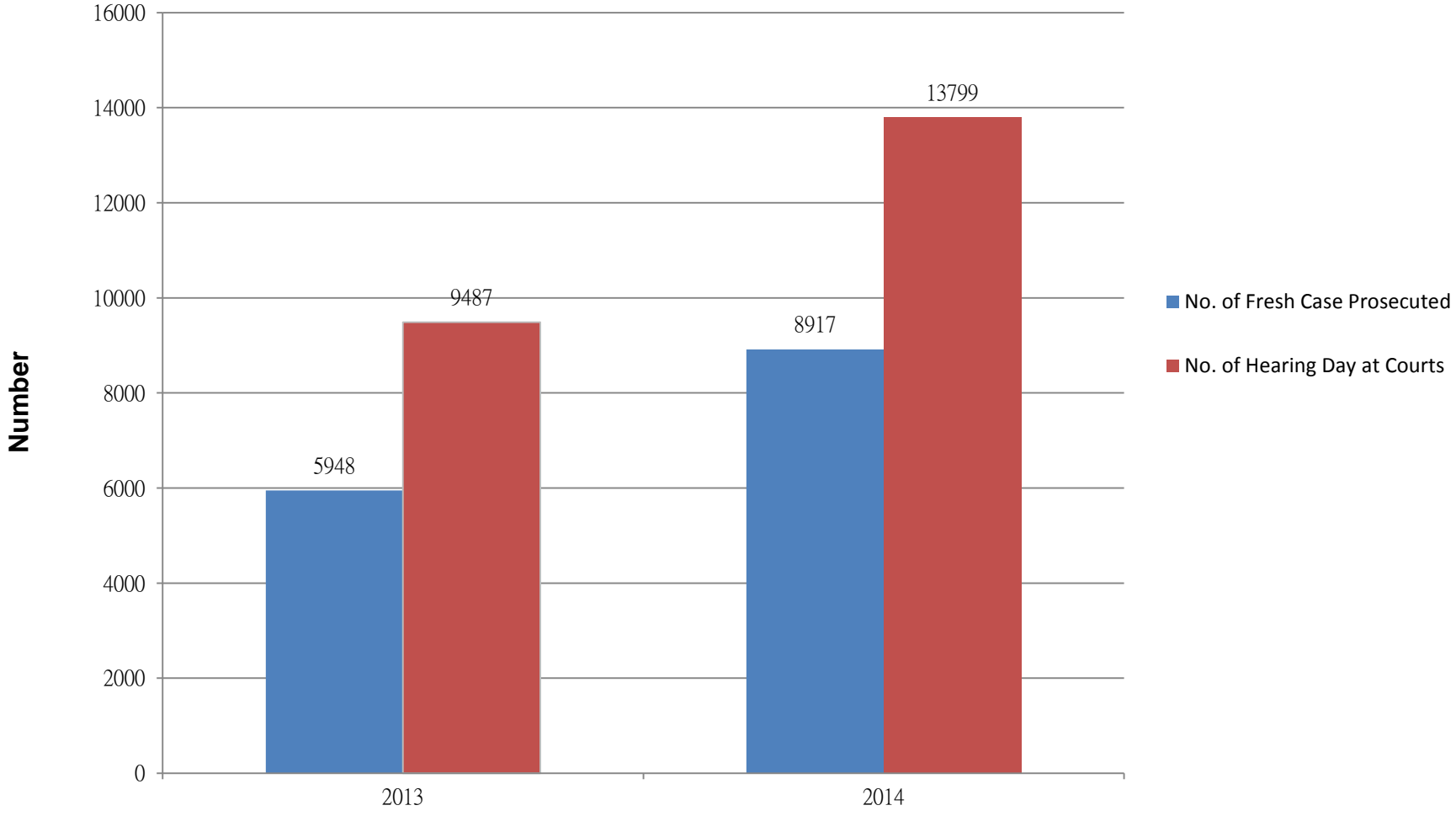
Training and Development Activities

Programme	No. of classes	
	2013	2014
Annual Shotgun Refresher Course	8	
HK 53 Sub-machine Gun Training Course	1	1
Annual HK 53 Sub-machine Refresher Course	7	7
Thigh Draw Holster Training Course	2	2
Thigh Draw Holster Refresher Course	4	
Signal Pistol Training Course	3	
Bus (under 30 seats) Driving Instructor Course		1
Bus (under 30 seats) Driving Course	2	3
Medium Goods Vehicle Driving Instructor Course		1
Medium Goods Vehicle Driving Course		3
<i>For Both C&E Service Members and TCOG Officers</i>		
Enhanced Intelligence and Investigation Course	1	
<i>For TCOG Officers</i>		
Mock Court Training	1	
Basic First Aid and Use of Automated External Defibrillator Course	1	4
Train-the-Trainer (Facilitation Skills for Managers)	1	2
ROCARS Training Course	2	1
Import and Export Practices and China Cargo Customs Clearance Procedure		1
Revision Course on Procedures in Performing Outdoor Duties	2	
Workshop on Preparation of Prosecution Papers	1	
Training Course on "Domain Name System"	2	
Investigation Techniques in Handling Internet Crime	1	
Investigation Course on Unfair Trade Practices	4	
Course on On-Call Duties Relating to the Handling of Unfair Trade Practices Cases	4	
Refresher Course on Giving Evidence in Court		1
Training Seminar on Trade-based Money Laundering		2
Fund Flow Investigation Course		1
Training Seminar on AMLO Requirements and the Major Concern in the Coming Mutual Evaluation		1
Management Development		
<i>For C&E Service Members</i>		
COG Supervisory Course	3	2
Customs Officer Development Course	2	2
Integrity Awareness Seminar	2	4
<i>For Both C&E Service Members and TCOG Officers</i>		
Customs Management Development Course	1	
Customs Command Course	1	1
Valuing Diversity in Workplace	1	1

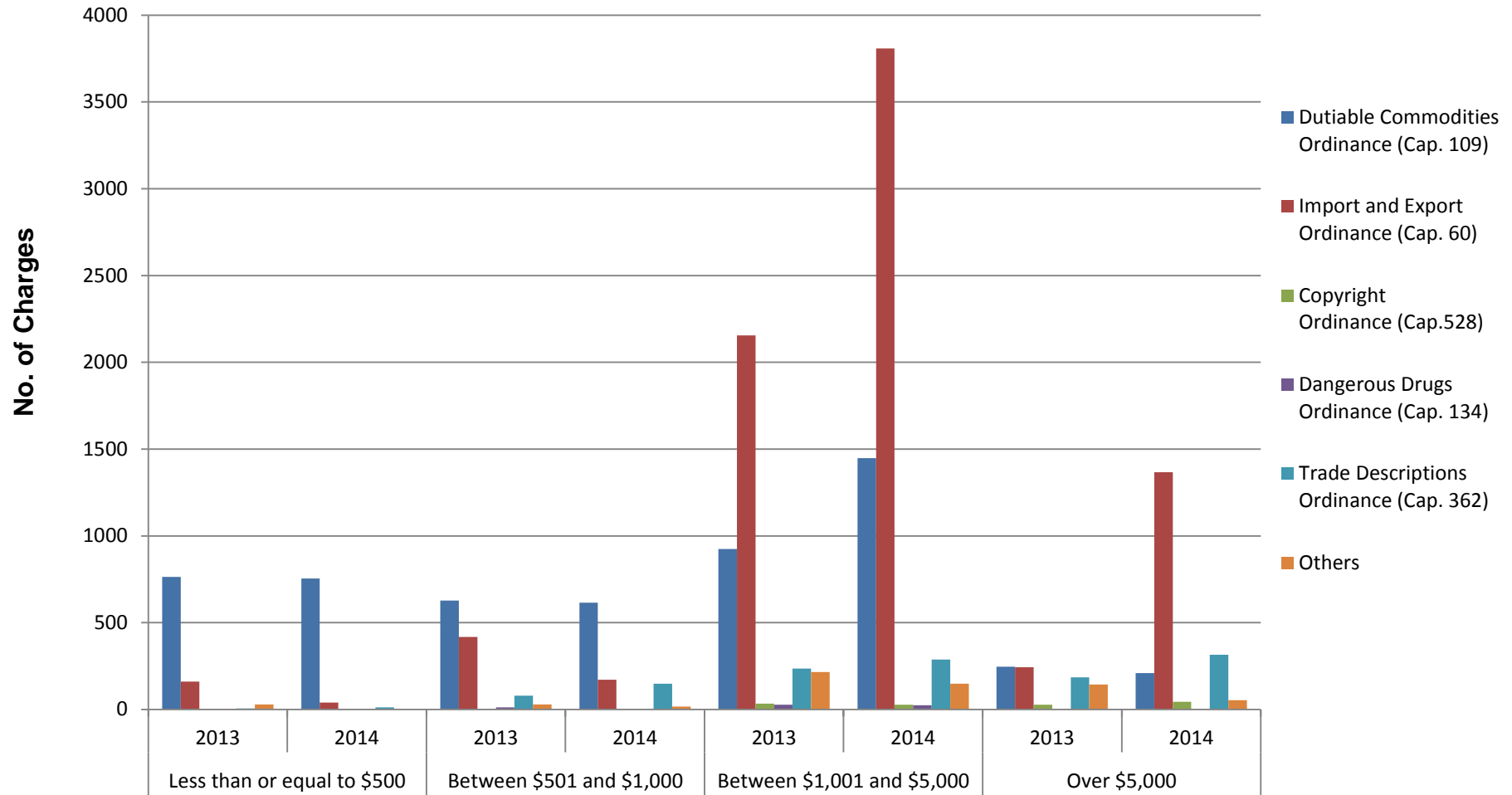
Training and Development Activities

Programme	No. of classes	
	2013	2014
<i>For TCOG Officers</i>		
Managing Self Integrity	2	2
Resilience Building at Work / Building Resilience and Creating a Supportive Working Environment	1	2
Positive Psychology & Customer Service Influencing Skills		1
Performance Appraisal Writing for CTCO & STCO		4
Briefing for Formation Training Personnel		1
TCO Management & Development Programme / Course (Part I)	1	1
TCO Management & Development Programme / Course (Part II)	1	1
Communication		
<i>For Both C&E Service Members and TCOG Officers</i>		
Elementary Putonghua Course		
Intermediate Putonghua Course	2	
<i>For TCOG Officers</i>		
Workshop on Persuasion and Influencing Skills		1
Skills and Techniques for Presentation / Presentation Skills Workshop	1	1
Replies to Enquiries / Complaints		1
Practical Putonghua / Customs Putonghua Thematic Course	1	1
Media Skills Workshop		2
Training for Visiting Customs Officials		
Risk Management Course for Mainland Customs	1	
Customs Management Course for Mainland Customs	1	1
Customs Practices Training Course for Mainland Customs		1
Training for Other Bureau / Department Officers		
Train-the-Trainer Basic Criminal Investigation Course for OFCA's Officers	1	

Court Actions (2014 vs 2013)



Range of Fines (2014 vs 2013)



Range of Sentences (2014 vs 2013)

