



Customs and Excise Department

Departmental Review 2017

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Foreword

In the year 2017, 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 208 smuggling cases in 2017, representing an increase of 20 per cent when compared to 2016. Among the cases, nearly 85 per cent involved smuggling activities between the Mainland and Hong Kong, while the number of arrested persons increased by 12 per cent to 216. The three major categories of seizure were electrical and electronic goods, precious metals and cigarettes. The seizure value of electrical and electronic goods recorded a 29 per cent increase to HK\$106 million and precious metals increased by 111 percent to HK\$101 million, whereas cigarettes dropped by 11 per cent to HK\$105 million.

In relation to anti-narcotics work, 952 drug cases were detected with a total of 1 110 kg of drugs seized, representing an increase of 25 and a decrease of 10 per cent respectively compared to 2016. About 75 per cent of drug cases were detected at the airport. Major seizures included 348.3 kg of synthetic cathinones (bath salts), representing an increase of 98 percent, and 231.7 kg of cannabis with an increase of 62 per cent. During the year, several other types of dangerous drugs were also seized including cocaine, gamma-butyrolactone (GBL), methamphetamine (ice) and ketamine (K powder). In addition to fostering closer co-operation with Mainland and overseas enforcement agencies to combat the source origin of drug supply by intelligence exchange and joint operations, the Department continued to work with the five major express courier operators through the intelligence exchange mechanism. A total of 108 drug cases were detected under the mechanism during the year.

For revenue collection on dutiable commodities, duty collected by the Department in 2017 was close to HK\$10.59 billion, representing a decrease of 0.56 per cent over 2016. 59.28 per cent of the duty was from tobacco products (HK\$6.28 billion), 35.7 per cent was from hydrocarbon oil (HK\$3.78 billion) and the rest was from alcoholic products.

Compared with 2016, the number of illicit cigarette cases dropped by 4 per cent to 7 959. Illicit cigarettes seized also decreased by 4 per cent to 60.7 million sticks. Significant smuggling cases (cases involving 500 000 or more sticks) into the territory

detected increased by 41 percent to 24, resulting in the seizure of 40.7 million sticks. Tackling at source has proved to be an effective way to cut off the illicit cigarette supply chain. The Department would continue to adopt a holistic enforcement approach covering the entire supply chain in combatting illicit cigarette activities, and would also enhance partnership with housing estate management offices and telecommunication service providers to combat telephone ordering.

In 2017, HK\$8.34 billion of government revenue was collected from motor vehicle first registration tax to support public services. In an effort to protect this important source of public revenue, combat trade malpractices and maintain a level playing field for the vehicle business, the Department continued to step up enforcement actions and prosecuted 32 importers/distributors, involving 66 motor vehicles. In 2017, the Department continued to reach out to traders to promote their awareness of legal liabilities. This, coupled with the enhanced market research of vehicle prices, strong enforcement and intensive on-site vehicle inspection, effectively combated first registration tax evasion and protected the rights of vehicle buyers.

On intellectual property rights protection, a total of 917 infringement cases were detected in 2017, representing an increase of 8 per cent when compared to 2016. Among these cases, 202 involved Internet crime. The value of the infringement goods seized dropped by 27 per cent to HK\$118 million. It is worth noting that 27 cases of making use of Internet platforms by physical shops in soliciting for business were detected, which was a 1.7-fold increase from 2016.

For financial Investigation, the Department continues to take an active role in tracing crime proceeds and combating related money laundering activities. In 2017, the Department successfully restrained HK\$4.8 million and confiscated HK\$0.42 million of crime proceeds in connection with cases of dangerous drug, illicit cigarettes and infringement of intellectual property right.

As regards supervision of money service operators, the Department prosecuted 10 cases of unlicensed operation of money service in 2017, leading to a total fine of HK\$204,000. Generally speaking the money service operator licensing system was operating smoothly.

Since the implementation of export control on powdered formula in March 2013, the number of illegal export cases has dropped significantly, from an average of about 430 cases per month in 2013 to around 325 in 2017, proving the effectiveness of the

measure. On smuggling of endangered species of animals and plants, a record ivory seizure was made in the year, with around 7 000 kg of raw ivory tusks valued at approximately \$70 million seized. This was the biggest-ever seizure of its type in the world. The Department will continue to strengthen intelligence exchange and co-operation with the Mainland and overseas law enforcement agents to combat smuggling at source.

On consumer protection, the Department in 2017 prosecuted 19 cases related to short weighing, four related to toys and children's products and five related to general consumer goods. For cases related to unfair trade practices, 109 enforcement cases were effected, 68 successful prosecutions were recorded and warning letters were issued in five cases. On fitness and beauty industries drawing public concern, in addition to stepping up enforcement action the Department held seminars and meetings for the relevant industries during the year to disseminate messages on fair trading. To combat unfair trade practices for consumer protection, Customs officers patrolled at popular spots of tourist shopping areas on festive occasions. To combat violations by traders, the Department has adopted the deployment of a Quick Response Team to handle and follow up promptly on complaints related to the Trade Descriptions Ordinance lodged by visitors who stay only a short while in the territory.

The number of enterprises accredited as Authorized Economic Operators increased to 45 in 2017. Mutual Recognition Arrangement was signed with the Australian Border Force in the year, adding up to a total of eight following those with the Mainland, India, Korea, Singapore, Thailand, Malaysia and Japan Customs. In addition, the Free Trade Agreement Transshipment Facilitation Scheme which rolled out at the end of 2015 was well received with 5 255 applications with goods valued at US\$354 million and estimated tariff reduction of around US\$26 million in 2017.

In addition, the Intermodal Transshipment Facilitation Scheme of Hong Kong Customs was interconnected with the Speedy Customs Clearance of the Customs administrations of Guangdong Province by the Single E-lock Scheme formally launched by Customs of both places on March 28, 2016. Electronic technology was used to speed up the customs clearance process of transshipment cargo between the two places to facilitate trade. Hong Kong Customs would also actively explore with Mainland Customs the possibility of extending the measure to areas outside Guangdong Province to facilitate the growth of the logistics industry.

To provide the public with a better understanding of the work of the Department,

"YouTube Channel - Customs and Excise Department" was launched in September 2016. Uploaded videos are grouped into four categories of "Latest Update", "Introduction to Customs Work", "Public Services" and "Departmental Activities". Members of the public can view the services and activities of the Department anytime and anywhere conveniently.

In retrospect, the Department cracked down on 16 368 cases in 2017. The number of cases was on a par with that in 2016. The value of seizures recorded a decrease of 7 per cent from HK\$1.37 billion in 2016 to HK\$1.27 billion in 2017. Looking ahead, with a number of major infrastructural projects due for completion in the years to come, cross-boundary flows of passengers and goods are expected to increase. The work of Hong Kong Customs would be full of challenges. Nevertheless, Customs would continue to make every endeavour to bring its work to fruition.

Senior Management of the Customs and Excise Department in 2017



NGAN Hing-cheung
Assistant Commissioner
(Administration and Human
Resource Development)

HO Pui-shan (Ms)
Assistant Commissioner
(Boundary and Ports)

LIN Shun-yin
Deputy Commissioner

TANG Yi-hoi
Commissioner

TAM Yat-keung
Assistant Commissioner
(Excise and Strategic Support)

LAI Lau-pak
Assistant Commissioner
(Intelligence and Investigation)

FU Lai-ha (Ms)
Head of Trade Controls

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, consumer protection and supervision of money service operators. The Branch is made up of the CEPA and Trade Inspection Bureau, the Consumer Protection Bureau, the Money Service Supervision Bureau, the Trade Declaration and Systems Bureau, the Trade Descriptions Investigation Bureau and the Trade Investigation 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 2017, the Department had an establishment of 6 300 posts. Of these, nine were directorate posts, 5 181 were posts of the C&E Service, 475 were those of the Trade Controls Officer Grade and 635 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 208 unmanifested cargo cases in 2017, a decrease of 20 per cent when compared with 2016. Amongst the cases, 176 of them involved items smuggled between Hong Kong and the Mainland, including 47 at sea and 129 on land. There were 216 persons arrested and the seizures amounted to HK\$526 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, digital cameras and accessories, computers and accessories, edible bird's nest and animal fur remain the popular items smuggled into the Mainland. Items smuggled to Hong Kong include precious metals, dutiable cigarettes, counterfeit and copyright infringing articles.

Concealment remains a common tactic adopted by smugglers to evade Customs detection. Common concealment methods include 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. Another common concealment method includes the use of void spaces in cross-boundary conveyances to hide small and high valued merchandise such as diamonds, gold slabs and computer processing units. Smugglers also exploit the long coast line of Hong Kong, and with loading places frequently changed to evade detection, send high-valued merchandise into the Mainland by high-powered speedboats moving at breakneck speeds. Some smuggling syndicates resort to using containerized sea cargo to smuggle hot items to the Mainland.



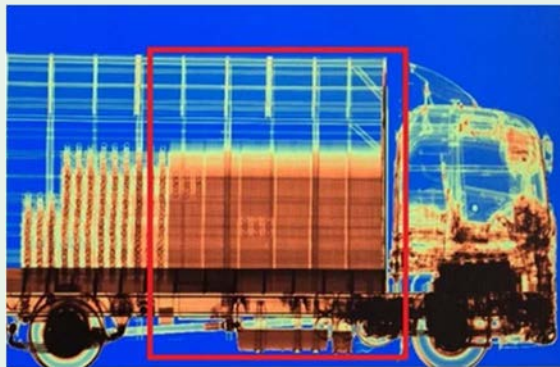
A secret compartment under the fuel tank of a high-powered speedboat

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 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 has 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 2017, a total of about 257 200 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 tend to mix the cigarettes with general cargo and falsely declared the consignment, or concealed them inside imitated goods as camouflage. In addition to 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 2017, a total of 43 million smuggled cigarettes were seized, with the majority found onboard cross-boundary vehicles arriving from the Mainland. The largest importation case detected at a land boundary control point in the year involved 2.9 million cigarettes. Smuggling of illicit cigarettes by containerized sea cargo was also seen. The largest case involved 3 million sticks of cigarette seized from four inbound containers declared as “polypropylene and used auto parts” arriving from Malaysia.



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



Illicit cigarettes were smuggled by way of being concealed inside imitated goods as camouflage



Illicit cigarettes were found mixed-loaded with general cargoes onboard an incoming container truck



Illicit cigarettes were mix-loaded with the manifested “polypropylene and used auto parts” from a seaborne container arriving from Malaysia.

Illicit Fuel

Rigorous enforcement through increased checks on incoming vehicles and vessels has contained the problem of illicit fuel smuggling from the Mainland. In 2017, nine importation cases, all at sea, were effected with 1 100 litres of 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 49 per cent of the notifications issued under the Project thus far. Since the launch of the Project in August 2004, 100 containers, containing 639.36 million cigarettes and 6 674 kg of manufactured tobacco in total, were seized as a result of information provided by Hong Kong Customs.

Dangerous Drugs

Cannabis, cocaine, methamphetamine, ketamine and heroin are popular dangerous drugs smuggled into Hong Kong. In 2017, the Department detected 952 cases with 1 110 kg of assorted drugs (not including khat) seized. Drug syndicates smuggle drugs into Hong Kong by both passenger and cargo conduits through the control points. Air parcels and express cargoes are exploited to smuggle dangerous drugs to overseas countries. 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 2017, 29 cases involving seizure of 679.3 kg of precious metals were detected and the total seizure value was HK\$101 million.

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 2017, 68 cases of firearms and weapons were detected at the Airport with 21 persons arrested and the total seizure value was HK\$1.3 million.

At the land boundary control points, 12 cases were effected in 2017 with 12 persons arrested and the total seizure value was HK\$1.6 million.

Counterfeit and Pirated Articles

The Department has continued to accord high priority to the protection of intellectual property rights (IPR). Rigorous operations are mounted to suppress counterfeiting and pirating activities. Major seizures include garments, handbags, shoes, leather products, watches, cosmetics, mobile phones and accessories, which bear forged trademarks or false trade descriptions. As it has been a global trend to have online 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 online are on the rise. To tackle the problem, co-operation with overseas law enforcement agencies, express courier companies and the Hongkong Post is enhanced. In 2017, 350 and 28 cases of IPR infringing goods were detected from express couriers and the postal channel respectively. Joint operations with other customs administrations and international organizations resulted in a total of 11 cases with 10 persons arrested and seizures valued at HK\$3.1 million.

At the Hong Kong International Airport, 35 IPR cases were detected with the seizures valued at HK\$5.9 million. At the land boundary control points, 11 importing cases were detected with 12 persons arrested and seizures valued at HK\$5.5 million. Besides, 15 cases of IPR infringing goods were detected from shipments via sea mode and the seizure value was HK\$31.1 million.

Electrical & Electronic Goods

Smuggling of high-valued electrical & electronic goods to the Mainland continued in 2017. Among the outgoing smuggling cases detected at the land boundary control points, 47 cases involved electrical & electronic goods including mobile phones and accessories, and camera and accessories, etc. The seizure value amounted to HK\$62 million.



Watches were found being smuggled to the Mainland



Cameras were found being smuggled to the Mainland

Meat and Poultry

To safeguard public health, joint operations are regularly mounted by the Department with the Food and Environmental Hygiene Department (FEHD) at the land boundary control points. In 2017, 570 joint operations with FEHD were conducted. Enforcement actions taken throughout the years have successfully deterred smuggling of meat and slaughtered poultry by cross-boundary cargoes and passengers.

Endangered Species

In 2017, Customs officers detected 434 cases of endangered species of animals and plants. The items involved woodlogs, ivory tusks, and pangolin and its scales, etc.

In 2017, Customs officers detected 27 sea smuggling cases of endangered species of animals and plants. Among the seizures, Customs detected 7 031 kg of raw ivory tusks valued at HK\$70 million. It is a record seizure of raw ivory according to the database of Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). Besides, 43 700 kg of controlled wood logs with a market value of nearly HK\$33 million were seized. Other than ivory and wood, Customs officers also

seized 7 500 kg of pangolin scales valued over HK\$6.6 million. The total seizure value of endangered species in sea smuggling cases was over HK\$122 million.



Raw ivory tusks seized in cargo examination



Pangolin scales seized in cargo examination

Marked Oil

Since May 2005, the Department has 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 2017, 13 cases were detected with 21 persons arrested and the total seizure value amounted to HK\$1.2 million.

In 2017, four joint operations with China Coast Guard against cross-boundary sea smuggling of marked oil were mounted to contain dubious bunkering activities.

4. Trade Facilitation

Road Cargo System (ROCARS)

Submission of pre-shipment road 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 (RFID) 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.



Customs Officer 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 businesses 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-locks) are applied to secure cargo compartments of vehicles conveying transshipment cargoes to prevent the cargoes from being tampered with during the

journey in Hong Kong. Besides, global positioning system devices are used for monitoring the status of the E-locks and tracking the movement of the goods vehicles to ensure the security of the cargoes while they were being conveyed within the Hong Kong boundary.



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

To provide further clearance facilitation, the Department and the Mainland Customs joined hands to launch the Single E-lock Scheme (“SELS”) in March 2016 by connecting ITFS with the Mainland Customs’ Speedy Customs Clearance System. Under SELS, the two Customs administrations conduct monitoring of the cargo based on the principle of “across the boundary with one single e-lock under separate monitoring”. For cargo which has undergone inspection with no irregularity identified, the respective customs administration will switch on the green light on the e-lock for each other’s reference. Inspection of the same shipment by both Customs administrations at the busy land boundary control point would be reduced, resulting in time and cost saving for the trade. Currently, SELS covers 46 clearance points in both Hong Kong and the Mainland (12 in Hong Kong, 32 in Guangdong province and two in Hunan province) which provides more than 400 routes to the participants to cope with the rapid development of the cross-boundary commerce.

Free Trade Agreement Transshipment Facilitation Scheme (FTA Scheme)

On 20 December 2015, to further enrich the facilitation services provided under the Economic Cooperation Framework Agreement (ECFA) and to allow more transshipment cargoes in Hong Kong to enjoy preferential tariff under the Free Trade Agreements (FTAs) signed between the Mainland and other economies, Hong Kong Customs launched a voluntary Free Trade Agreement Transshipment Facilitation Scheme (FTA Scheme). The FTA Scheme provides for Customs supervision service and issuance of Certificates of Non-manipulation to certify transshipment cargoes that have not undergone any further processing during their stay in Hong Kong. The FTA Scheme covers transshipment cargoes in Hong Kong heading for the Mainland from Taiwan under the ECFA, and from 22 countries under their respective FTAs¹ with the Mainland, as well as transshipment cargoes heading for Australia, Korea and Taiwan from the Mainland. In May 2016, the Department and the Mainland Customs signed a Co-operation Arrangement to signify the arrangements under the FTA Scheme provided for transshipment cargoes heading for the Mainland.



Customs officers checking a container seal



Customs officers affixing Customs seals onto FTA consignments

The number of FTA applications received under the Scheme has been on an upward trend since its launch. In 2017, Hong Kong Customs received 5 255 applications for cargoes with a total trade value of US\$354 million and tariff savings of around US\$26 million, representing a year-on-year increase of 34% over 2016. The FTA Scheme allows goods passing through Hong Kong to enjoy preferential tariff, strengthens Hong

¹ *ECFA and the 12 FTAs cover the following economies: Association of Southeast Asian Nations (commonly referred to as ASEAN, including Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam), Australia, Bangladesh, Chile, Costa Rica, Iceland, India, Korea, New Zealand, Pakistan, Peru, Sri Lanka, Switzerland and Taiwan.*

Kong's status as a logistics hub in the region, and enhances the development of local trade, commerce and logistics sectors under the Belt and Road Initiative.

The Department will continue to promote the Scheme and sustain efforts in its extension to cover more transshipment cargoes heading for other economies having FTA with the Mainland.

Wine Exports to the Mainland

The Department and the Mainland Customs signed the “Co-operation Arrangement on Customs Facilitation Measures for Wine Entering the Mainland through Hong Kong” in February 2010. Following the signing of the said Agreement, a scheme for the facilitation measures (“the Scheme”) was launched at designated ports in Shenzhen and Guangzhou. In October 2015, the applicability of the Scheme was extended from designated ports in Shenzhen and Guangzhou to all ports in Beijing, Shanghai, Tianjin, Shenzhen and Guangzhou Customs districts. In November 2017, the Scheme was further extended to all ports in all 42 Customs districts of the Mainland. Hong Kong registered wine exporters can submit advance wine consignment information online to enjoy immediate Customs clearance upon their consignments’ arrival at Mainland ports.



Commissioner of Customs and Excise, Mr. Hermes Tang (4th left) and Assistant Commissioner (Excise and Strategic Support), Mr. Jimmy Tam (3rd left) visited the booth of Hong Kong Customs at the Hong Kong International Wine and Spirits Fair in November 2017.

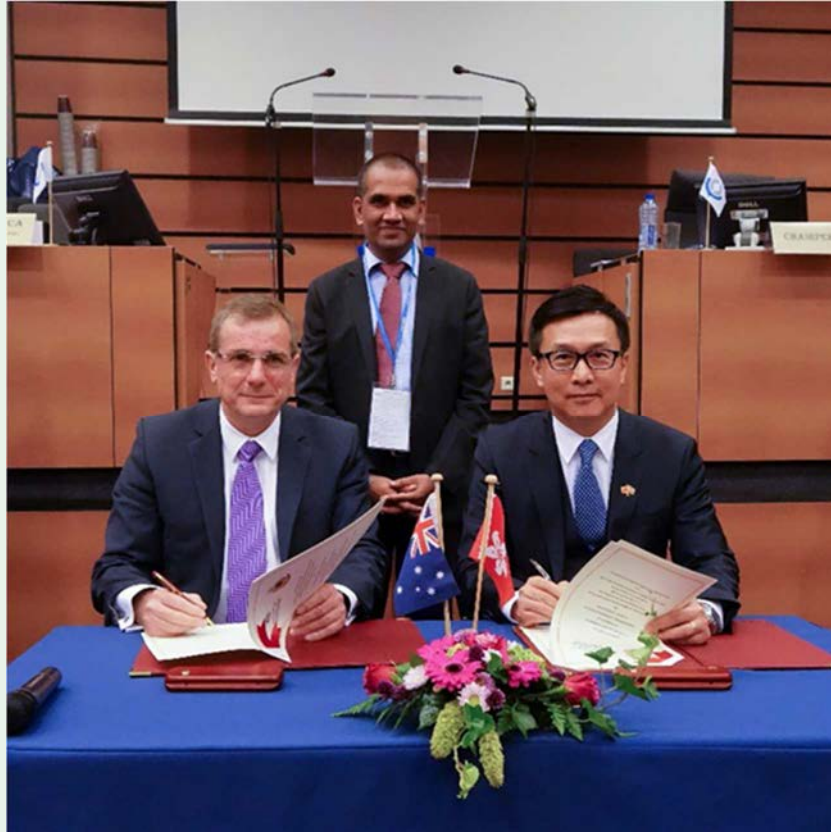
Hong Kong Authorized Economic Operator (AEO) Programme

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) Programme² 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 2017, the Department has accredited 45 AEOs (including six 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 arrangements (MRAs)³ with other customs administrations with a view to multiplying benefits for the Hong Kong AEOs. Following the MRAs signed with the General Administration of Customs of the People's Republic of China, the Central Board of Excise and Customs of India, the Korea Customs Service, the Singapore Customs, the Customs Department of the Kingdom of Thailand, the Royal Malaysian Customs Department and the Customs Administration of Japan from 2013 to 2016, the Department signed the 8th MRA with the Australian Border Force, Department of Immigration and Border Protection of Australia in July 2017. Discussions with customs counterparts of Mexico, New Zealand, Israel, Canada and the European Union for establishing MRAs are underway.

² *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.*

³ *Mutual recognition of AEO programmes 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.*



Commissioner of Customs and Excise, Mr. Hermes Tang (1st right), signed an MRA for the AEO Programme with the Australian Border Force, Department of Immigration and Border Protection in Brussels, Belgium on 6 July 2017.

Smart and Secure Trade Lanes (SSTL) Pilot Project

The Smart and Secure Trade Lanes (SSTL) Pilot Project⁴ has been running on a proper course since its implementation in Hong Kong in November 2013. In 2017, the Department continued its active participation in the project. Through attending two working group meetings held in Valencia and Qingdao respectively in May and November, the Department has been working closely with the General Administration of Customs of the People's Republic of China (GACC) and the Directorate General for Taxation and Customs Union (DG TAXUD) of the European Commission to take forward the project with the extension of operation from maritime mode to air and rail modes, with an aim of strengthening Hong Kong's role as an international and regional logistics hub.



The 30th SSTL Working Group Meeting held in Qingdao from 22 to 23 November 2017.

⁴ *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.*

Development of Trade Single Window

To maintain Hong Kong's competitiveness as a trading and logistics hub and to align with the international trend, the Government announced in 2016 to set up a Trade Single Window (SW) in Hong Kong for one-stop lodging of all B2G documents to facilitate trade declaration and customs clearance. The Commerce and Economic Development Bureau has established a Project Management Office (PMO) since April 2016 to take forward the initiative with C&ED and other Government Agencies. Meanwhile, an SW Special Project Team was established in the same year within the Office of Information Technology to undertake the planning, development and implementation of a Cargo Clearance Module of the SW.

In view of its mega scale and complexity, the SW will be developed in three phases. Phase 1 will cover 13 types of trade documents whose applications could be made through the SW on a voluntary basis. Upon rollout of Phase 1 within 2018, C&ED will take up the role of SW Operator to operate the facility on a daily basis. An Office of Trade Single Window Operation will be set up in due course to provide public services including user registration, training, help-desk service, and system maintenance and operation, etc. Regarding the mandatory submission of other trade documents through SW in Phase 2 and pre-shipment documents for cargo clearance in Phase 3, the scheduled roll-out dates are respectively by 2022 and 2023 the earliest.

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 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 take 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 target smuggling of drugs by express parcels and mails and drug traffickers at the control points, who sneak 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 findings.

In 2017, the Department seized 231.7 kg of cannabis with 62 persons arrested. Among the seizures, 78.3 kg were intercepted at the Hong Kong International Airport. A significant case was detected in Tsuen Wan in which 131 kg of cannabis buds was seized with three persons arrested.

Cocaine which originates from South America is gaining popularity worldwide and has always been a high priority on Customs anti-drug programme. In 2017, 101 persons were arrested with 139.9 kg of cocaine seized, representing a 43 per cent decrease when compared with 2016. Amongst the seizures, 84.5 kg were intercepted with 48 persons arrested at the Hong Kong International Airport.

Methamphetamine is a popular drug among young people, with 122.6 kg seized and 70 persons arrested in 2017. Among the seizures, 43.1 kg were intercepted at the Hong Kong International Airport whilst en route mainly to other countries in the Asia Pacific region.



Liquid cocaine concealed inside metal cans



Methamphetamine concealed inside shuttlecock

Ketamine is one of the most prevalent drugs abused by young people. The Department arrested 79 persons and seized 58.3 kg in 2017. The seizure decreases 41 per cent when compared with 2016. In 2017, 42.9 kg were intercepted with 15 persons arrested at the Hong Kong International Airport. Of these 79 arrestees, 10 were teenagers aged under 21.

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 2017, 5.6 kg of heroin were seized with 17 persons arrested. Most of them were seized from incoming passengers. The seizures were mainly concealed inside baggage, body packed or swallowed, and were believed to be destined for the neighbouring areas.

In 2017, the Department seized 348.3 kg of synthetic cathinones, a new psychoactive substance commonly known as “bath salt”. The drugs were seized mainly from parcels destined for overseas countries including the United States, Canada, Australia, New Zealand and the United Kingdom.

Co-operation with Overseas and Mainland Authorities

The Department has maintained close ties with law enforcement agencies in the Mainland and overseas to enhance the effectiveness of enforcement against transnational drug trafficking. In 2017, as a result of co-operation with other jurisdictions, 496.8 kg of drugs were seized and 48 persons were arrested outside Hong Kong. Of significance, in a joint investigation on a transnational drug trafficking syndicate with the Australian Federal Police and the National Police of Colombia, 200 kg of liquid cocaine was seized in Colombia.

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 an increase in the number of persons aged below 21 arrested in connection with drug offences at the land control points. In 2017, the number of arrests was 7 while that of 2016 was 4. The Department will continue to step up enforcement action against cross-boundary drug trafficking and increase the public awareness of the severe penalties of drug offences and harmful effects of drug abuse.

Confiscation of Drugs Proceeds

The Department takes continuous efforts in tracing proceeds derived from drugs trafficking offences. In 2017, the Department confiscated HK\$0.42 million under a local drug trafficking case.

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. 566 PENs were issued to 18 countries in 2017.

During the year, the Department took 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 United States 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.

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 levels.

Anti-piracy Enforcement

The Department detected 115 piracy cases and arrested 145 persons in 2017. Seizure of pirated optical discs (PODs) amounted to 10.9 million.

Actions against Retail Sale of Pirated Goods

The Department maintains rigorous enforcement actions against retail outlets selling PODs, aiming to wipe out optical discs piracy activities totally. The Intellectual Property Investigation Bureau, the formation that organizes all anti-piracy operations, is determined to go after the syndicates that run optical discs piracy businesses in Hong Kong. The rigorous enforcement actions throughout the years have 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 discs 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 2017, Customs officers conducted 21 inspections of licensed optical disc and stamper factories.

Actions against Internet Crime

To cope with the increasing trend of internet crime, the Department has established the “Anti-Internet-Piracy Team” (AIPT) which was further expanded in 2014 with more than 40 investigators dedicated to fight against internet crimes. Up to December 2017, the AIPT detected 1324 internet cases, arrested 1 568 persons and seized infringing articles and computer equipment worth HK\$25.14 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 the technology of online economy. In December 2017, the Department launched a new system named the Big Data Analytics System to perform automatic cross-platform cyber patrol, analyse mass information on different internet platforms and identify prevailing and emerging trends of online IPR crimes.

To cope with new enforcement challenges arising from advancement in cyber technologies, the Department set up the Electronic Crime Investigation Centre (ECIC) in February 2013. The ECIC aims to strengthen research into the latest modus operandi of cybercrimes, formulate enforcement strategies and procedures on evidence collection for front-line enforcement officers, conduct training courses on retrieval and preservation of digital evidence for front-line officers and conduct research on online investigation systems. The ECIC obtained the ISO 9001:2015 Quality Management System Accreditation in February 2017, demonstrating its commitment to quality and compliance with the international standard.

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. In addition to 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 366 cases of corporate use of pirated works, arrested 739 persons and seized items worth HK\$19.97 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 103 circumvention cases and arrested 143 persons.

Actions against Counterfeit Goods

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

In 2017, the Department detected 867 forged trademark cases under the Trade Descriptions Ordinance. A total of 658 persons were arrested. With a value of HK\$107 million, the seized goods were mainly electrical and electronic products, pharmaceutical products, clothing and leather goods, accounting for about 60 per cent in terms of seizure values.

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 maintains 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 cases of counterfeit wine.

Actions against Medicines Counterfeiting

With a view to enhancing the deterrent effects on the cross-border traffic 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 continues to update the list of dispensaries regularly. Up to December 2017, a total of 119 dispensaries were 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 14 IPR cases (eight copyright cases and six counterfeit cases), with some HK\$133 million worth of crime proceeds/assets restrained. This enforcement approach has effectively clamped down on 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 multifarious perspectives.

Since its establishment in early 2013, ECIC has been deploying resources to conduct insightful research on potential electronic crimes and seeking opportunities to organize training programmes and sharing sessions with overseas law enforcement agencies, business counterparts as well as academic institutes. In March and July 2017, the ECIC delivered 4 sessions of remote training to Macao Customs on cyber investigation skills. The course content included techniques on cyber investigation against IPR infringing activities and application of cyber investigation tools with hands-on exercises. The training also provided an excellent opportunity for both parties to share knowledge and exchange experience in application of new cyber technologies to combat online IPR crimes.

In 2017, 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. As at end of 2017, 76 organizations of the IPR sector have joined the IPRPA. A working committee was established and tasked to organize IPR protection-related activities, including the launching of publicity and educational campaigns to raise social awareness of IPR protection. Also, the Department joined hands with the Mainland/overseas IPR enforcement agencies to organize a series of special seminars for IPRPA members. Specialists and professionals from different countries and jurisdictions were invited to share their knowledge and experience on IPR protection with IPRPA members.



Assistant Commissioner of Customs and Excise, Mr Ellis Lai delivered opening remarks in an IPRPA seminar in September.

- 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 112 major exhibitions and trade fairs, leading to the detection of 177 infringement cases and the arrest of 212 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 the 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 to 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 the Hong Kong Association of the Pharmaceutical Industry.
- Reward Scheme to Combat Illegal Photocopying of Books and Periodicals – sponsored by the Hong Kong Reprographic Rights Licensing Society.
- Reward Scheme to Combat Illegal Photocopying of Newspapers and Magazines sponsored by the Hong Kong Copyright Licensing Association.

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 of and respect for IPR protection is equally important.

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

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

- With the support from the Education Bureau and the IPD, the Department delivered IPR Enforcement School Talk to 30 local secondary schools covering over 8,800 students in 2017.

- IPR exchange visits between secondary school students of Hong Kong and Guangdong Province were held in April and May 2017 respectively.



Hong Kong Youth Ambassadors visited Zhongshan City in April.



Youth Ambassadors received a briefing on the development of creative industry in Zhongshan City in April.

- IPR Badge Programme for Youth Ambassadors

As the YAS reached the 10th anniversary, the Department launched a new initiative, namely the IPR Badge Programme for Youth Ambassadors, in July 2016. The Department organizes the IPR Badge Programme with a broad base of support from different government departments, education institutions and the private sector. It is a tailor-made, comprehensive and 3-level progressive youth programme to tie up with the latest social and technological development to reinforce the importance of respecting IPRs.

Following the success of the No. 1 Foundation Course held in July 2016, the Department organised the No. 1 Advance Course of the IPR Badge Programme for 36 graduates from the Foundation Course between 21 and 25 August 2017. Highlights of the Advance Course included an in-depth study of two IPR infringement cases and a mock trial competition. The Closing and Award Presentation Ceremony was conducted on 25 August 2017 to celebrate the outstanding performance and achievement of the participants.



Youth Ambassadors participated in the mock trial competition during the No.1 Advance Course in August.



Principal guests, leaders of the YUGs and Youth Ambassadors in the Closing and Award Presentation Ceremony held in August.

7. Consumer Protection

The Department protects consumer interests through enforcement of the Toys and Children's Products Safety Ordinance, the Consumer Goods Safety Ordinance, the Weights and Measures Ordinance, and the Trade Descriptions Ordinance.

Weights and Measures Ordinance

To weed out dishonest sale of short-weighted items, the Department conducted 1 715 spot checks and 458 investigations in 2017 to detect and deter the use of inaccurate weighing and measuring equipment in trade and the supply of goods which were short of the purported weights. Retail sales which involve comparatively more complaints concerning short weight continue to be the targets of the Department's enforcement actions. In 2017, prosecution was taken in 19 cases and warning letters were issued in 22 cases involving contravention of the Weights and Measures Ordinance.



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



Customs officer checking 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 2017, 3 043 spot checks and 420 investigations were conducted and nine prosecution cases were concluded. Besides, the Department issued 30 Prohibition Notices prohibiting the supply of unsafe products, ranging from power bank, children's swimming suit, toy scooter and USB car charger. To promote public's awareness of toy safety, especially festive toys, the Department conducted ad-hoc spot checks onto Mid-Autumn Festival toys in September 2017 and distributed informational pamphlets to consumers.



Customs officers distributing informational pamphlets to public in Shamshuipo to promote the awareness of toy safety

Education-oriented Seminars

To promote traders' awareness of product safety and their obligations in complying with the related Ordinances, the Department conducted education-oriented seminars for 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 (the 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.

To protect consumer interests and honest traders, the Department had taken stringent enforcement in combating unscrupulous traders employing unfair practices. In order to maximize the enforcement effectiveness, the Department adopted a risk-based approach and set investigation priorities with regard to various factors including identified risks and intelligence, new and emerging trends as well as public concern. The Department also paid particular attention to repeated offenders and contraventions which significantly undermine consumer interests.

Enforcement

In 2017, the Department received 6 922 (4 373 on goods and 2 549 on services) unfair trade practices-related complaints, most of which involved foodstuff, medicine, regulated electronic products, travel, beauty and fitness services. The number of investigations completed were 1 621 (1 601 on goods and 20 on services), including 1 510 preliminary investigations, 74 of which led to prosecution and 24 concluded with administrative action.

Significant cases in different commercial sectors were detected, including misleading pricing of goods at ginseng and dried seafood shops; sales of passing-off items at medicine shops; aggressive commercial practice at a beauty parlor, a fitness centre and an investment finance company; false trade descriptions of service provided by a travel agency and an educational centre; bait advertising by electronic products retailers; as well as wrongly accepting payment of fees by a warehouse operator and a wedding service company, etc. In 68 prosecution cases, 40 persons and 38 companies were convicted of unfair trade practices offences, with punishment including fines between HK\$500 and HK\$120,000; imprisonment between ten weeks and six months; Community Service Order for 80 hours to 240 hours. In a few cases, the court ordered the convicted persons to pay the victims to compensate for their financial loss resulting from the offences. With the consent of the Secretary for Justice, the Department accepted two written undertakings from an online shop for electrical and sportswear products and a warehouse storage service provider. A total of eight warning letters and 120 advisory letters were issued to remind the concerned traders about their obligations to comply with the fair trading sections under TDO.



Chinese medicine seized in a false trade description case



Mobile phones and related accessories seized in a false trade description case

In 2017, the Department carried out 4 000 spot checks against retail shops, including those frequented by overseas and Mainland visitors. During long holidays such as Labour Day Holiday Golden Week, National Day Golden Week and Lunar New Year, Customs officers conducted high-profile patrols in popular tourist shopping areas to deter unfair trade practices and promote smart shopping tips to tourists. Meanwhile, Customs officers patrolled various trade fairs and exhibitions to deter dishonest sales and to ensure traders' compliance with the laws.



A stand-up press briefing to promote smart shopping tips to tourists



Officers distributing leaflets to tourists in popular tourist shopping areas

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 73 occasions to handle urgent complaints.

Publicity and Education

To help traders understand the fair trading sections of TDO and the consequences of non-compliance, 223 seminars/briefing sessions were delivered to retailers, exhibitors, employees of beauty/fitness industries, non-government organizations/associations, elderly centres and the public. In view of the recent upsurge in complaints against the beauty/fitness industries about adopting aggressive commercial practices, the Department took the initiative to invite the chairpersons of beauty associations and directors/company management of fitness centres for meetings. The purpose of the meetings is to encourage them to convey the important messages of complying the TDO and upholding the integrities of the trade to their members/staff. Besides, pamphlets were distributed to the public, retail shops, exhibitors and tourists so as to draw their heed to the Amendment Ordinance.

The Department conducted press interviews on the prevalent unfair trade practices in various industries such as renovation service in September and December 2017 with the aim of alerting consumers to beware of falling prey to dishonest traders.

To raise public awareness of consumer rights and to remind retailers of their legal obligations, the Department launched publicity campaigns 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, the Department of Health, the Food and Environmental Hygiene Department and exchanged information on unfair trade practices with the Consumer Council, the Travel Industry Council of Hong Kong, the Hong Kong Tourism Board, the Hong Kong Trade Development Council and other stakeholders to better protect consumer interests.



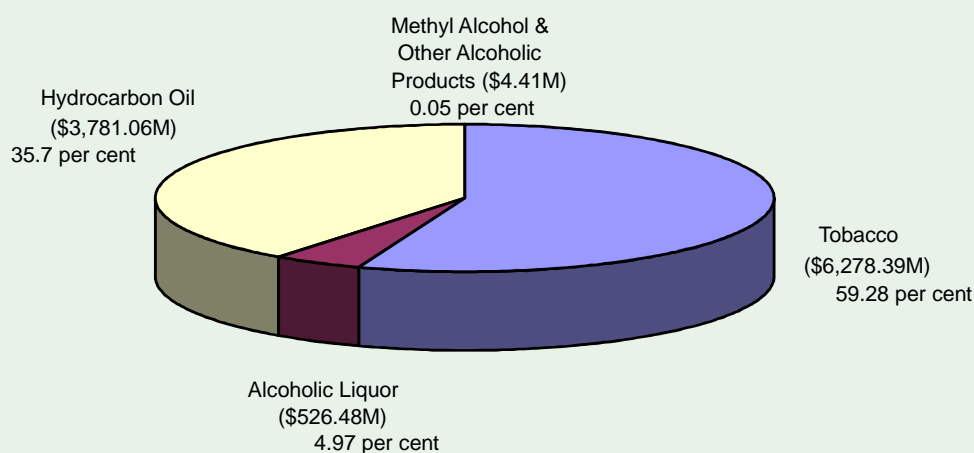
Officers delivering an education-oriented seminar to traders of beauty service

8. Revenue Collection and Protection

Revenue

In 2017, excise duties collected amounted to HK\$10,590.34 million, including 59.28 per cent from tobacco, 35.7 per cent from hydrocarbon oil, 4.97 per cent from alcoholic liquor and 0.05 per cent from methyl alcohol and other alcoholic products. The revenue collected in 2017 decreased by 0.56 per cent compared to 2016. The percentage distribution of duty collection by commodities is shown in the diagram.

Duty Collection in 2017



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 84 in December 2017.



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, the Department 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 roads has been on steady increase. With strengthened capability for value assessment and on-site inspection, progress has been made in tackling evasion of FRT. In 2017, the number of vehicles first registered by the Transport Department was 64 024 and the amount of FRT collected was HK\$8.34 billion with an increase of 5.97 per cent against last year.

In 2017, there were a total of 32 importers/distributors prosecuted for contravening the Motors Vehicles (First Registration Tax) Ordinance, including sole distributors, parallel-importers and individuals with 66 vehicles involved. Compared with 2016 where 44 importers/distributors were prosecuted with 92 vehicles involved, malpractices of the trade were continuously brought under control and the number of cases of selling vehicles at a price higher than the approved price was maintained at a low level. In 2017, the Department continued to launch a series of publicity programmes, which included outreach visits, experience-sharing sessions, customers' liaison group meetings and a large-scale seminar on best practices of the motor trading business, to promote traders' awareness of legal liabilities. This, coupled with enhanced market research of vehicle prices, strong enforcement and intensive on-site vehicle inspection, effectively combated FRT evasion and protected the rights of vehicle buyers.

Illicit Fuel

Illicit fuel activities continue to reduce in magnitude. There have been fading trends of smuggling duty-not-paid light diesel oil from the Mainland 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. The continuous and active enforcement actions over the years have achieved the deterrent effect, resulting in a noticeable decline of such activities. Currently, only a few illicit fueling stations are being operated in a sporadic manner in remote areas of the New Territories. With the persistent enforcement actions of the Department, illicit fuel activities have been effectively contained. In 2017, 13 cases were detected with 4 100 litres of illicit fuel (excluding export cases) seized, representing a drop of 35 per cent in seizures over 2016.

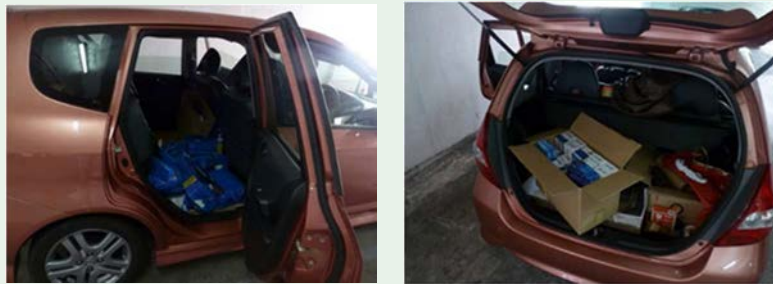
Illicit Cigarettes

The Department effected 7 959 illicit cigarette cases with the seizures of 61 million cigarettes and the arrests of 7 987 persons in 2017. The total value of the seized illicit cigarettes was HK\$161 million and the duty potential was HK\$116 million. As compared with the preceding year, both the number of cases and arrests decreased by 4 per cent and 5 percent respectively. Among the seizures, about 60 million sticks were related to local illicit cigarette activities, representing a decrease of about 4 per cent as compared with 2016, as a result of the strategy of stepping up enforcement at source.



An 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 426 cases involving 4.6 million illicit cigarettes seized and 439 persons arrested in 2017. In 2017, following financial investigation against a syndicate distributing illicit cigarettes based on telephone orders, the Department successfully restrained HK\$2.6 million of crime proceeds.



A delivery vehicle for telephone ordering of illicit cigarettes was intercepted.

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 Strategic Trade Control System, the Import and Export Declaration System and the Kimberley Process Certification Scheme to discharge its international obligations and comply with multilateral trade agreements. Through 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. To uphold the credibility and integrity of the System, the Department conducts pre-registration inspections on factories applying for Certificate of Origin (CO) to authenticate their production capacities. Also, periodic inspections are carried out on the factories to ensure their continuous compliance with registration conditions, and consignment checks on goods covered by CO applications. In this connection, the Department conducted 426 factory inspections and consignment checks in 2017.

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 the Trade and Industry Department, vigorously enforce 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.

In combating illegal diversion of strategic commodities, the Department carries out licence checks to verify the authenticity of information given in the import and export licence applications and conducts checks on the disposal of imported consignments to ensure that articles imported are used as declared. In 2017, the Department conducted 1 094 import licence checks, 1 952 export licence checks and 673 disposal checks.

During 2017, the Department also mounted four rounds of special operations against the unlicensed shipments of controlled integrated circuits. As a result, six cases were effected with a total of 11 205 pieces of controlled integrated circuits intercepted. In the year, the Department investigated 231 cases and prosecuted 38 persons / companies leading to a total fine of HK\$0.75 million and the forfeiture of offending goods in value of HK\$1.2 million. The value of the goods involved in the prosecution cases was HK\$28.6 million.



A consignment of 25 pieces of controlled integrated circuits was intercepted at Airport Control Point during an operation mounted in January 2017

Outreach Training

The Department conducted 12 outreach training sessions for the frontline staff of five courier companies to enhance their knowledge in strategic trade control.

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 items (including footwear) specified in the Schedule 1 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 20.2 million declarations and collected HK\$1 027 million import and export declaration charges / clothing industry training levies / late penalties in 2017. Short-paid declaration charges / clothing industry training levies recovered and late/administrative penalties imposed amounted to HK\$14.7 million. The Department also received around 8.1 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 12 educational seminars for 205 traders and carriers/forwarders in 2017. 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 2017, the Department received one request involving under-valuation of goods.

Closer Economic Partnership Arrangement (CEPA) - Trade in Goods

Since the implementation of CEPA on 1 January 2004, 1 897 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 2017, a total of 10 794 applications for CO(CEPA) were received. Of these applications, 10 603 CO(CEPA)s at a total value of HK\$7.6 billion were issued. These applications covered a wide range of products, the top five of which in terms of value were food and beverage, plastics and plastic articles, textiles and clothing, pharmaceutical products and chemical products.

Charged with the enforcement duties of the CEPA Certification System, the Department conducted consignment checks against 1 313 applications for CO(CEPA) and examined 89 CEPA consignments at various cargo exit points in 2017.

Kimberley Process 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 81 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 862 consignment inspections and three investigations on rough diamonds during the year.



Officer 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 4 435 inspections, investigated 24 cases, prosecuted six persons / companies, resulting in a fine of HK\$0.02 million in 2017. In these cases, the value of the rice and mixed grains involved was HK\$0.02 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, the Trade and Industry Department implemented a registration arrangement for local importers of cereals and grain flours from the Mainland in early 2008. To support the arrangement and to ensure the cereals and grain flours imported from the Mainland were solely for local consumption, the Department conducted 148 inspections/verifications and five investigations in 2017. The value of the goods involved in the investigation cases amounted to HK\$0.8 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 2017, the Department mediated in 31 cases and two 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 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). In addition to administering the statutory licensing regime, the Department supervises the licensed MSOs and the PMG through ongoing supervision of their compliance with 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 2017, there were 1 309 licensees on the Register of MSOs with 1 432 licences renewed since the commencement of the renewal exercise in February 2014. By way of a risk-based approach, 622 licensed MSOs had been selected for compliance inspection, with eight of them found having failed to comply with the statutory requirements. Investigations on the eight non-compliant cases were concluded. Among the eight licensees, five of them were prosecuted in which four licensees were totally fined for HK\$0.27 million while one licensee was ordered a 200-hour Community Service Order by the court. The remaining three cases were ended with action of serving written warnings. Regarding disciplinary actions against non-compliant licencees, one licensee was publicly reprimanded by the Commissioner of Customs and Excise in 2015, and another licensee was ordered to pay a pecuniary penalty of \$21,000 in November 2017. Another five disciplinary cases were in progress, among them one non-compliant licensee had been served with a notice to take disciplinary action. In 2017, the Department prosecuted ten cases of unlicensed operation of money service, leading to a total fine of HK\$204,000.

In preparation for the Financial Action Task Force (FATF) mutual evaluation of Hong Kong scheduled for the fourth quarter of 2018, a territory-wide money laundering and terrorist financing risk assessment to identify, understand and update the Money Laundering / Terrorist Financing risks of Hong Kong was conducted and the MSO sector was included in this risk assessment exercise.

The Department will continue to organize seminars, small group meetings and training courses to enhance the MSOs' knowledge of AML and CFT and arouse their awareness of compliance with the statutory responsibilities.



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

10. Customs Co-operation

World Customs Organization (WCO)

In 2017, the Department continued its active participation in the WCO fora, including the 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



Commissioner of Customs and Excise, Mr Hermes Tang (middle), led a delegation to attend the 129th/130th Sessions of the Customs Co-operation Council in Brussels, Belgium in July 2017.

At regional level, the Department was likewise active in attending the following meetings hosted by the WCO Asia/Pacific Vice-Chair to foster dialogue, co-operation and networking.

- WCO Asia/Pacific Regional Heads of Customs Administrations Conference
- WCO Asia/Pacific Regional Contact Points Meeting

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 the WCO.

To extend our staunch support to the WCO, the Department has deployed an officer to the WCO Compliance and Facilitation Directorate to work as Technical Attaché since September 2012.

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

In 2017, 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 are the joint coordinators of the Focus Area "Compliance and Enforcement" of the WCO A/P Regional Strategic Plan (RSP) 2016-18 and will continue to take up the same role for RSP 2018-20. Under the coordination of RILO A/P, the Department exchanges intelligence with customs counterparts for investigation into suspected cases of customs crimes.

The Department has also taken part in major projects of RILO A/P, namely "Project Crocodile", "Project Sky-Hole-Patching", "Drugs Seizures Immediate Notification System (DSINS)" as well as "Operation IRENE II" respectively against cigarette smuggling, environmental waste smuggling, dangerous drugs trafficking by air and sea transport, and small arms trafficking via postal and express courier channels. In 2017, the Department kept fostering co-operation and participating in enforcement activities at regional and international levels, such as "Operation Global Shield" against global trafficking of precursor chemicals for manufacturing improvised explosive devices and "Project Savannah" to combat illegal wildlife trade in the region.

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

The Department has been working closely with the WCO ROCB A/P and supportive to their initiatives. An officer of the Department has been seconded to ROCB A/P in Bangkok as Technical Attaché since 2011 to coordinate capacity building activities for the Southeast Asian countries.

In the capacity building domain, the Customs and Excise Training School has been accredited as one of the seven WCO Regional Training Centers (RTCs) in the A/P region since 2004. It has been providing staunch support to the WCO and the ROCB A/P for the capacity building efforts in the region. In November 2017, the Department, in co-operation with ROCB A/P, organized a regional workshop on cyber investigation and digital forensics in Hong Kong.



Participants of the workshop visited the Computer Forensic Laboratory of the Department in November 2017.

Asia Pacific Economic Co-operation (APEC)

In 2017, the Department participated actively in various APEC meetings and events in Vietnam.

At the 1st and 2nd APEC Sub-Committee on Customs Procedures Meetings held respectively in February and August 2017, the Department exchanged views and shared experience with member economies on the implementation of the Authorized Economic Operators (AEO) Programme and the WTO Agreement on Trade Facilitation, development of Single Window Systems, application of advance passenger information for risk management and the work on cross-border E-commerce. The Department also delivered a presentation on the analysis of border enforcement on intellectual property rights within the region.



The 2017 1st APEC Sub-Committee on Customs Procedures Meeting held in Vietnam

Co-operation with other Customs Administrations

Overseas Customs Administrations

- **Enhanced co-operation between Hong Kong Customs and Indonesian Customs**

On 16 February 2017, Hong Kong Customs signed a Customs Co-operative Arrangement (CCA) regarding co-operation and mutual administrative assistance with the Directorate General of Customs and Excise, Ministry of Finance, Republic of Indonesia in Hong Kong to pledge further collaboration in combating transnational Customs offences.

The CCA, signed by the former Commissioner of Customs and Excise of Hong Kong, Mr Roy Tang, and the Director General of the Indonesian Customs and Excise, Mr Heru Pambudi, signifies the mutual commitment and determination of both Customs Administrations to co-operate more closely through mutual administrative assistance on the enforcement of customs laws for the fight against transnational crimes and information sharing.



The former Commissioner of Customs and Excise, Mr Roy Tang (right), and the Director General of the Indonesian Customs and Excise, Mr Heru Pambudi (left), exchanged the signed CCA regarding Co-operation and Mutual Administrative Assistance in Hong Kong.

Mainland and Macao Customs

- **The 2017 Review Meeting with the Guangdong Sub-Administration of GACC (GSAC) in Hong Kong**

On 18 December 2017, the 2017 Review Meeting between the GSAC and Hong Kong Customs was held in Hong Kong. The meeting reviewed the co-operation between the two Customs administrations on trade facilitation, anti-smuggling, anti-narcotics, intellectual property rights protection and staff training over the past two years. The two Customs administrations recognised the achievements as a result of close co-operation on various fronts and also mapped out the Co-operation Plan for the coming two years.



Commissioner of Customs and Excise, Mr Hermes Tang (front row, fourth right) and the Director General of the GSAC, Mr Li Shuyu (front row, fifth right) pictured with both delegations in Hong Kong on 18 December 2017.

- **The 34th Annual Meeting with the Macao Customs Service/Macao Economic Services in Hong Kong**

On 6 December 2017, the 34th Annual Meeting between the Macao Customs Service/Macao Economic Services and Hong Kong Customs was held in Hong Kong. During the meeting, the two administrations discussed a series of co-operation items including protection of intellectual property rights, combating cross-boundary drug trafficking and smuggling activities, and development progress of Hong Kong-Zhuhai-Macao Bridge.



Commissioner of Customs and Excise, Mr Hermes Tang (eighth right) and Director-General of the Macao Customs Service, Mr Vong Iao Lek (ninth right) officiated at the opening ceremony of the Annual Meeting.

11. Information Technology

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



Data Centre 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 electronic submission of selected trade documents. In this regard, the Road Cargo System and the Money Service Operators Licensing System were fully launched in 2011 and 2012 respectively to facilitate traders' compliance with the legal requirements.

The first mobile application of the Department, namely, "Hong Kong Car Tax", was successfully launched on 30 May 2014. 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 purchasers with basic information of published retail price (PRP), calculation of FRT and online function for checking the approved PRPs.

The Finance Committee of the Legislative Council approved the funding application of HK\$33 million in July 2014 to implement a Dutiable Commodities System (DCS) by replacing the obsolete computer system and to provide better functions in relation to dutiable commodities administration. The DCS internal system (the first phase) and the e-licensing website (the second phase) were successfully launched on 26 November 2016 and 27 January 2017 respectively to facilitate permit application and

duty/compounding fines collection as well as to facilitate traders in submitting licence applications in electronic mode.

Development of a New Electronic System for Intelligence and Risk Management

In May 2016, the Finance Committee of the Legislative Council approved funding application of HK\$38 million to implement a Customs and Excise Information and Risk Management System (CEIRMS), featuring a centralised repository of investigation findings, intelligence, risk management products and trader records with analytical tools. The CEIRMS will replace the obsolete Customs and Excise Intelligence System and Single Trader Database. It will facilitate the Department's core business of crime investigation and enhance the risk management capability in cargo clearance. The system is scheduled for implementation in June 2018.

Computer Facilities for New Control Points and Customs Facilities

Computer facilities and IT equipment will be provided to support future Customs operations at Guangzhou-Shenzhen-Hong Kong Express Rail Link, Hong Kong-Zhuhai-Macao Bridge, Liantang/Heung Yuen Wai Boundary Control Point, Ocean Terminal, Tuen Mun Customs Marine Base and Intermodal Transfer Terminal scheduled for commissioning from 2017 to 2022.

Computer Forensic Laboratory (CFL)

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

CFL was the first government computer forensic laboratory accredited with international management standards. Since 2006, CFL has been accredited with ISO 9001 on Quality Management and ISO 27001 on Information Security and successfully established a set of standards on integrity and professionalism so that the recognition for the expert advice given by its forensic staff and credibility of the Department's computer forensic service in court were considerably enhanced.



CFL staff conducting data recovery on a physical hard disk

Since its establishment, CFL has processed 1 098 cases involving 1 057 servers / computers, 3 578 hard disk drives, 827 optical disc replicating machines, 1 154 mobile phones and various kinds of digital data storage media such as memory cards, USB flash drives and SIM cards (the total data size is approximately 1 051 TB) that involved intellectual property rights infringement, internet piracy, money laundering, drug trafficking, smuggling, false trade descriptions and revenue frauds.

12. 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
- Three-Runway System
- Intermodal Transfer Terminal

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

Construction of XRL, which commenced in January 2010 and due for completion in the third quarter of 2018, will provide intercity connection from West Kowloon in Hong Kong to Futian and Shenzhen North in Shenzhen, Humen in Dongguan and Guangzhou South 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 Guangzhou South 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 targeted completion date will be in 2018.

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 in 2019 will help to redistribute cross-boundary traffic amongst other existing crossings and alleviate congestion. It adopts “direct access” and “2-storey concept” design with a footprint of about 23 hectares on the Hong Kong side. Facilities for goods vehicles and a public transport interchange are located on the 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.

Three-Runway System (3RS)

To meet future air traffic growth and maintain Hong Kong's competitiveness as an international aviation hub, the Airport Authority Hong Kong (AAHK) will expand Hong Kong International Airport (HKIA) into a 3RS. Construction of 3RS commenced in August 2016. The target completion date will be at the end of 2024.

Development of the 3RS mainly includes building of a new runway, taxiways and apron with 57 new parking positions, building of a Third Runway Concourse, expansion of the existing Terminal 2 to provide arrivals and departures, building of a new high-speed Baggage Handling System and a new Automated People Mover system connecting Terminal 2 with the new passenger building. Upon the completion of the 3RS, HKIA will be able to serve 30 million additional passengers annually.

Intermodal Transfer Terminal (ITT)

The AAHK is planning to develop an ITT to meet the anticipated demand from additional transfer passengers at HKIA following the opening of HZMB.

Development of the ITT includes the expansion and modification of the existing SkyPier and a bonded road linking to the Hong Kong Boundary Crossing Facilities of HZMB. The targeted completion date will be in the fourth quarter of 2022.

13. Administration

Human Resource 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.



Senior Community Relations Officer of the ICAC, Mr. NG Yuk-wing, Terry was invited as guest speaker for Departmental Seminar.



Specialist in Cardiology, Dr. WONG Tai-hung, John 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:

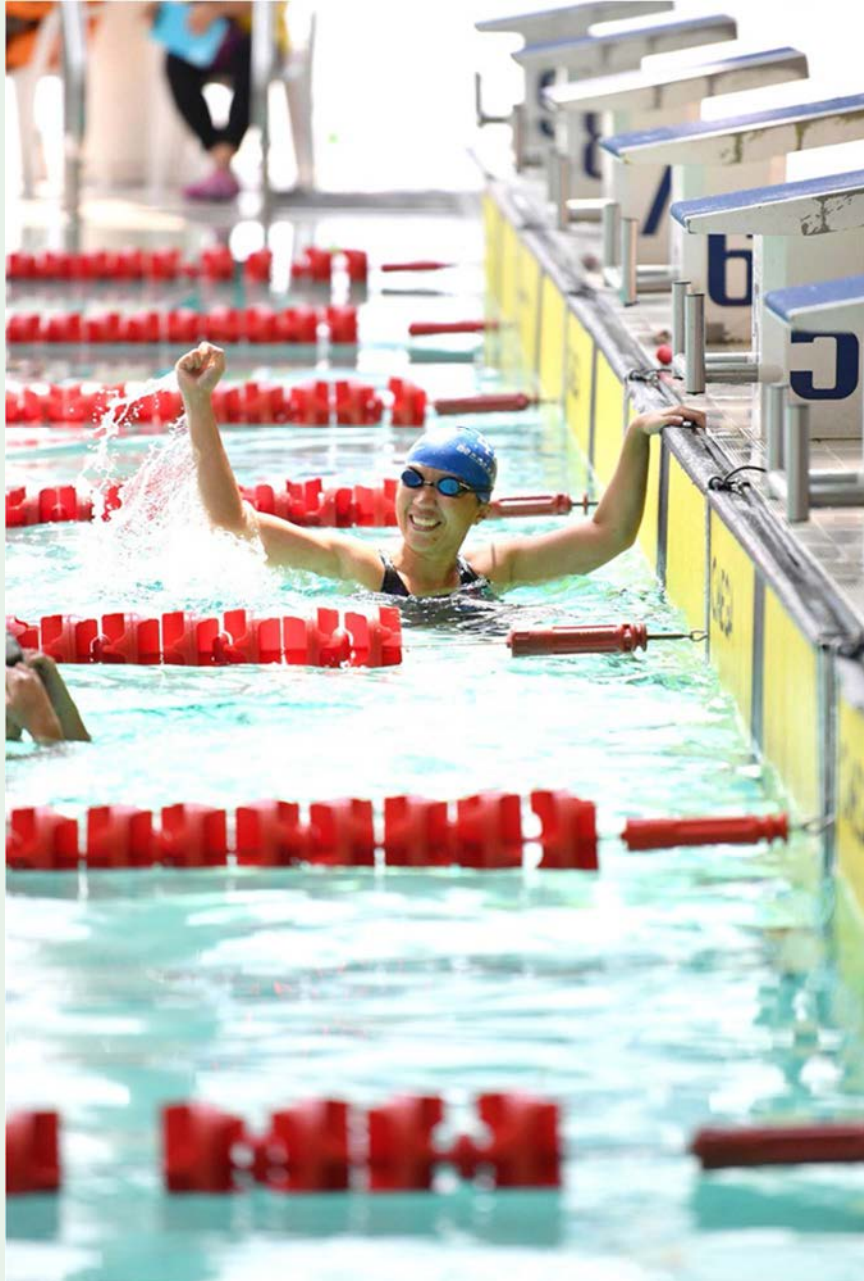
- Experience sharing of celebrities on positive and balanced work-life attitude
- Participation in volunteer work and community services
- Balanced diet
- Care and love to family members, colleagues and community

“*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. Three series of Mental Health related courses and one workshop on Handling of Problem Gambling were organized in 2017. The subjects of staff integrity are incorporated into various training programmes for both induction trainees and serving officers of different levels. E-learning programmes and training videos on integrity have also been developed to promote the integrity awareness of staff.

Welfare, Sports and Recreation

In 2017, the Departmental Sports and Recreation Club organized over 300 sports and recreational events including charitable activities, training classes, performances and inter-command competitions for staff and their families.



Swimming Gala 2017

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 2017, there were 85 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.

In addition to 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.

14. Training and Development

To sustain the professionalism and expertise of its staff and to develop them throughout their careers, the Department takes 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 throughout the year 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 213 officers to attend different training and attachment programmes hosted by academic institutions, customs organizations and law enforcement administrations in the Mainland and overseas in 2017.



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 familiarize them 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

Personal Development of Staff

The Department advocates a schematic approach whereby senior and middle managers are nurtured through a designated roadmap. In 2017, three senior officers attended advanced leadership / management development programmes at renowned overseas institutes and 58 officers attended national studies training 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 departmental Corporate Portal paves way for individual officers to achieve self-learning through studying the e-Learning programmes at his/her own paces.

The Department also collaborates with the Civil Service Training and Development Institute to deliver e-Learning through the Cyber Learning Centre Plus, with 40 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 and significant role in supporting the WCO's capacity building initiatives. In coordination with the WCO Asia Pacific Regional Office for Capacity Building (ROCB A/P), Hong Kong Customs organized the WCO Asia Pacific Regional Workshop on Cyber Investigation and Digital Forensics at the Customs Headquarters Building (CHB) between 21 and 23 November 2017, with participation of a total of 28 officers from 23 member administrations. This 3-day Workshop provided a platform for the participants to share their experience in conducting cyber investigations and digital forensics with a view to further strengthening their overall capability in combating cybercrime. RTC Hong Kong will continue to provide staunch support to the WCO and the ROCB A/P for the capacity building efforts in the region.



WCO Asia Pacific Regional Workshop on Cyber Investigation and Digital Forensics

Mutual Training Assistance

Interaction among counterparts in the global customs community is a key to successful enforcement outcomes. In 2017, the Department sent 189 officers to receive training from or undergo attachment to other customs organizations and law enforcement administrations and provided training to 34 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 2017, a number of tailor-made courses such as “Basic Risk Assessment”, “Competence in Manual Handling”, “Safety Inspection” as well as “Accident Investigation and Prevention” 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 evidence collected at crime scene.



Raiding, Apprehension and Escort Course



Case Management Course for Inspectorate Officers

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.



Train-the-trainer Course on Trace Contraband Detectors



Train-the-trainer Course on Mobile X-ray Vehicle Scanning System

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. Office of Training and Development has been organizing a number of prosecution-related training activities for frontline officers, including advanced legal training on criminal evidence and trial preparation, workshops on handling cases in court and disciplinary proceedings, 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.

15. Financial Administration

Revenue

The Department collected HK\$11,840 million of revenue in 2017-18, representing an increase of 4.6 per cent over that in 2016-17. The increase was mainly attributable to the increase in revenue collection from cigarettes, alcoholic beverages and trade declaration charges, which was partly offset by the decrease in revenue collection from hydrocarbon oils.

A summary of the revenue collected in 2016-17 and 2017-18 is at Appendix 8.

Expenditure

The total expenditure of the Department in 2017-18 amounted to HK\$3,631 million, of which 75.6 per cent was on Personal Emoluments, 23.2 per cent on Other Recurrent Expenses and 1.2 per cent on Capital Account Expenditure. The increase in expenditure of 3.8 per cent over that in 2016-17 was mainly due to the impact of the 2017 civil service pay rise and the increase in operating expenses, partly offset by the decrease in cash flow requirements for capital account items.

A summary of the total expenditure in 2016-17 and 2017-18 is at Appendix 9.

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

	2016-17	2017-18
	HK\$M	HK\$M
(a) Control and Enforcement	2,563	2,647
(b) Anti-narcotics Investigation	209	235
(c) Intellectual Property Rights and Consumer Protection	331	345
(d) Revenue Protection and Collection	194	204
(e) Trade Controls	201	200

Seizure Management

The provision of service for the storage and disposal of seized goods is one of the major tasks of the Department. In 2017-18, the total average storage space available for accommodating seized goods and vehicles in government storehouses was 57 254 sq. metres while that for private godowns was 1 004 cu. metres.

After forfeiture, the seized goods are disposed of by auction or destruction. The Department disposed of about 46 000 items of confiscated goods in 2017-18, which included cigarettes, optical discs, drugs, fuel oil, computer equipment, vessels and vehicles. The proceeds from the sale of the forfeited goods during the period amounted to about HK\$26 million.

16. 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 seriously, 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 worthwhile.

In 2017, the number of prosecution cases amounted to 6 202, of which 3 844 (62 per cent) were related to the Import and Export Ordinance, 1 530 (24.7 per cent) related to the Dutiable Commodities Ordinance, 472 (7.6 per cent) related to the Trade Descriptions Ordinance, 269 (4.3 per cent) related to the Dangerous Drugs Ordinance and 123 (2 per cent) related to the Copyright Ordinance. A total of 6 274 persons and 226 companies were prosecuted, which resulted in total fines of HK\$21.2 million and the imposition of immediate imprisonment in 967 cases.

Major Legislation Amendments

Toys and Children's Products Safety Ordinance (Amendment of Schedules 1 and 2) Notice 2016

The Toys and Children's Products Safety Ordinance (Amendment of Schedules 1 and 2) Notice 2016 came into operation on 1 October 2016. The Notice amended the Schedules 1 and 2 to the Ordinance to apply the updates to four safety standards for toys and some safety standards for four classes of Schedule 2 products, namely "babies dummies", "carry cots and similar handled products and stands", "children's high chairs and multi-purpose high chairs for domestic use" and "children's paints" under the Ordinance.

Prosecution Summary

The past year was an eventful one with the successful prosecution and conviction of 5 826 persons and 214 companies. Details of the prosecution related figures are set out in Appendices 14-16.

Liaison with the Department of Justice

To further enhance communication and foster closer co-operation with the Department of Justice (DoJ), arrangement was made for the representatives of the DoJ to visit customs facilities and operations at the land boundary control points for their better understanding of the latest smuggling trends and Customs' enforcement approach.

Chronicle

January 2017

- Second phase of the Dutiable Commodities System (DCS) was launched on 27 January 2017. The e-licensing function of the DCS facilitates traders in submitting DC licence applications through electronic means.



The e-licensing function of the DCS facilitates traders in submitting DC licence applications through electronic means.

- Seized 2.9 million sticks of illicit cigarettes with a retail value of HK\$7.7 million from a cross-boundary lorry at the Man Kam To Control Point. The cigarettes were mixed-loaded with general cargoes onboard the incoming vehicle.



Illicit cigarettes were mixed-loaded with general cargoes onboard the incoming lorry

- Seized a total of 2.3 million illicit cigarettes with a retail value of HK\$6.3 million from an incoming lorry at the Lok Ma Chau Control Point.



Illicit cigarettes seized at Lok Ma Chau Control Point

- Seized 1 kg of cocaine with a retail value of HK\$1.1 million from a passenger arriving from Guinea via the United Arab Emirates at the Airport. The cocaine was smuggled by way of internal concealment.



Pellets of cocaine swallowed by the offender

- Seized 4 kg of cocaine soaked in linings of 22 hats with a retail value of HK\$4.4 million found from a parcel arriving from Peru at the Airport.



4 kg of cocaine soaked in linings

- Seized 1.71 kg of cocaine with a retail value of HK\$1.9 million from a passenger arriving from Johannesburg via the United Arab Emirates at the Airport. The cocaine was smuggled by way of internal concealment.



Pellets of cocaine swallowed by the passenger

- Seized 2 kg of cocaine with a retail value of HK\$2.2 million from a passenger arriving from Cambodia at the Airport. The cocaine was smuggled by way of concealment inside the false compartment of a briefcase.



2 kg of cocaine concealed inside the false compartment of a suitcase

- Seized 1.01 kg of cocaine with a retail value of HK\$1.1 million from an incoming passenger at the Lo Wu Control Point.



Cocaine concealed inside underwear and leg guards near ankles

- Seized 960 g of cocaine with a retail value of HK\$1.1 million from an incoming passenger at the Lo Wu Control Point.



Cocaine concealed inside leg guards near ankles

- Mounted a joint operation with the Anti-Smuggling Bureau of Guangdong Sub-Administration of China Customs and the Australian Federal Police resulting in the seizure of 40 kg of methamphetamine with four arrestees in the Mainland.
- Mounted a joint operation with the U.S. Drug Enforcement Administration and the Malaysian authorities resulting in the seizure of 23.9 million tablets of Tramadol in Malaysia.

February 2017

- Hong Kong Customs participated in the 1st Meeting of the APEC Sub-Committee on Customs Procedures in Nha Trang, Vietnam.



Participants of the 1st Meeting of the APEC Sub-Committee on Customs Procedures in Nha Trang, Vietnam

- The former Commissioner of Customs and Excise, Mr. Roy Tang, signed a Customs Co-operative Arrangement (CCA) with the Directorate General of Customs and Excise, Ministry of Finance, Republic of Indonesia in Hong Kong.



The former Commissioner of Customs and Excise, Mr Roy Tang (right), and the Director General of the Indonesian Customs and Excise, Mr Heru Pambudi (left), exchanged the signed CCA regarding Co-operation and Mutual Administrative Assistance in Hong Kong on 16 February 2017

- Seized a total of 66 384 LCD display panels, 409 cameras, 349 camera accessories, 1 874 computer hard disks, 548 central processing units, 1 160 random access memory, 7 678 electronic parts, 631 vehicle parts, 652 mobile phones, 13 680 mobile phone accessories and 555 kg of birds' nest with a retail value of HK\$55.5 million from an outbound lorry at the Lok Ma Chau Control Point.



Electronic products and birds' nest seized

- Seized 317 cartons of bags bearing suspected forged trademark and unmanifested mobile phone parts with a retail value of HK\$8.7 million from a transshipment container destined for Uruguay from Nansha via Hong Kong.



Suspected counterfeit bags and unmanifested mobile phone parts seized

- Seized 5.1 kg of herbal cannabis with a retail value of HK\$1.4 million inside a parcel arriving from Mozambique via South Africa in Tsuen Wan and arrested one person in Pat Heung.



5.1 kg of herbal cannabis found from a parcel

- Mounted a joint operation with the U.S. Drug Enforcement Administration, the U.K. National Crime Agency and the Brazilian Customs resulting in the seizure of 1.4 kg of cocaine camouflaging as eight pieces of soap with a retail value of HK\$1.4 million from the checked suitcase of a passenger arriving from Brazil via Ethiopia at the Airport.



1.4 kg of cocaine camouflaging as eight pieces of soap

- Seized 3.49 kg of liquid cocaine with a retail value of HK\$3.47 million concealed in canned food in a postal packet originating from Brazil at the Airport.



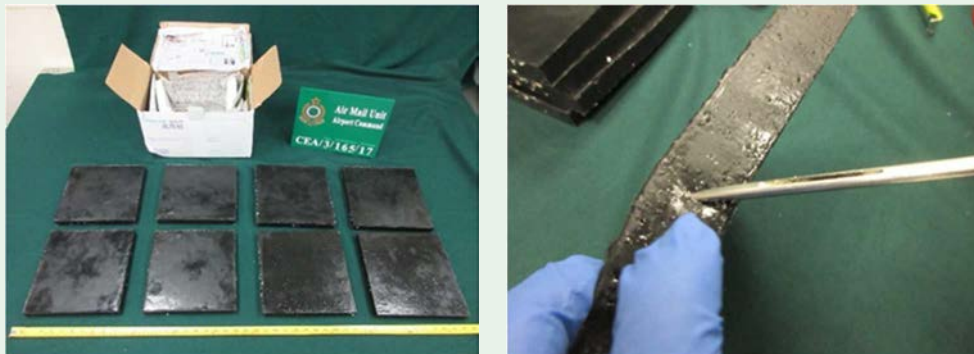
Liquid cocaine concealed in canned food

- Seized 0.94 kg of cocaine with a retail value of HK\$1.08 million sandwiched between mobile phone motherboards in a postal packet originating from Paraguay at the Airport.



Cocaine sandwiched between mobile phone motherboards

- Seized 12.5 kg of methamphetamine with a retail value of HK\$4.18 million concealed inside rubber cushions in a postal packet destined for Australia at the Airport.



Methamphetamine concealed inside rubber cushion

March 2017

- Hong Kong Customs participated in the 18th WCO Asia Pacific Regional Heads of Customs Administrations Conference in Suva, Fiji.



Participants of the 18th WCO Asia Pacific Regional Heads of Customs Administrations Conference in Suva, Fiji

- Passing-out Parade for officers of Nos. 109 to 113 Inspector Induction Courses and Nos. 386 to 390 Customs Officer Induction Courses, with Major General Liao Zhengrong, Deputy Commander of the Chinese People's Liberation Army Hong Kong Garrison, as the Inspecting Officer.



Passing-out Parade on 10 March 2017

- Seized a total of 2.2 million illicit cigarettes with a retail value of HK\$5.9 million from an incoming lorry at the Man Kam To Control Point.



Illicit cigarettes seized at Man Kam To Control Point

- Seized 7.05 kg of rhino horns with a retail value of HK\$1.41 million from a passenger arriving from Mozambique via Ethiopia at the Airport.



Rhino horns concealed inside baggage

- Seized 6.75 kg of rhino horns with a retail value of HK\$1.4 million concealed inside two carton boxes of coffee beans in a consignment originating from Namibia at the Airport.



Rhino horns concealed inside two carton boxes of coffee beans

- Seized 914 kg of animal fur with a retail value of HK\$4 million on board a speedboat in South Lantau.



Animal fur seized

- Seized 1,500 numbers of rimfire ammunition concealed inside 3 numbers of heater in a consignment originating from the United States at the Airport.



Rimfire ammunition concealed inside 3 nos. of heater

- Seized 600 numbers of centerfire ammunition concealed inside 3 numbers of heater in a consignment originating from the United States at the Airport.



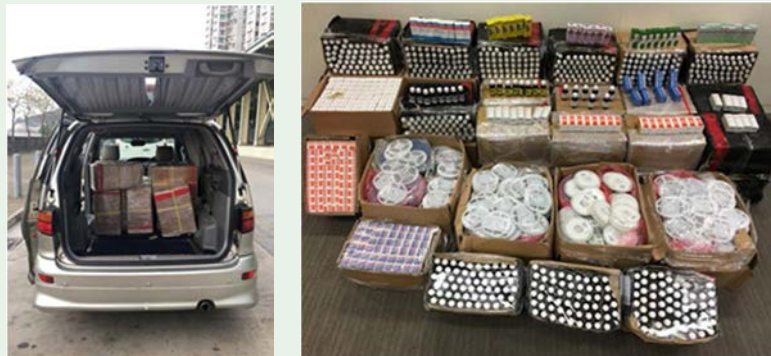
Centerfire ammunition concealed inside 3 nos. of heater

- Seized 21 numbers of cartridge case in a consignment originating from Canada at the Airport.



Cartridge cases found inside a consignment

- Seized a total of 8 655 bottles of cough syrup, 5.5 million integrated circuits and 1 300 mobile phone display panels with a retail value of HK\$6.3 million in a joint operation with the Marine Police against sea smuggling in Tsuen Wan.



Cough syrup and electronic products seized during the operation

- Seized a total of 648 mobile phones with a retail value of HK\$2.7 million from two outbound container trucks at the Lok Ma Chau Control Point.



Mobile phones concealed inside the false compartment of battery boxes

- Seized 6 kg of methamphetamine and 12 g of ketamine with a retail value of HK\$2 million inside paper bags and in a premises with the arrest of a person in Hung Hom.



6 kg of methamphetamine and 12 g of ketamine seized

- Seized 8 kg of methamphetamine with a retail value of HK\$2.7 million from a recycled bag and in a premises with the arrest of two persons in Tseung Kwan O.



8 kg of methamphetamine was seized upon premises search (part of the seizure)

- Seized 4.6 kg of cannabis buds with a retail value of HK\$0.88 million and HK\$1 million cash in a premises with the arrest of two persons in Yuen Long.



4.6 kg of cannabis buds and HK\$1 million cash seized

- Seized 63.7 kg of assorted dangerous drugs with a retail value of HK\$8.7 million and the arrest of a person at the Central Mail Centre.



63.7 kg of assorted dangerous drugs seized in 135 parcels

- Seized 1 kg of crack cocaine and 8 g of methamphetamine with the arrest of a person in Sheung Shui.



1 kg of crack cocaine seized inside a premises

- Seized 1.08 kg of cocaine with a retail value of HK\$1.1 million concealed in a backpack carried by an incoming passenger at the Spur Line Control Point.



Cocaine concealed inside the backpack

- Seized 1.98 kg of cocaine with a retail value of HK\$2 million concealed inside an oven in a consignment originating from Peru at the Airport.



Cocaine concealed inside an oven

- Seized 1.47 kg of cocaine with a retail value of HK\$1.5 million concealed inside a cylinder block in a postal packet originating from Brazil at the Airport.



Cocaine concealed inside a cylinder block

- Seized 9.8 kg of ketamine with a retail value of HK\$3.1 million concealed in desiccant bags inside packages of seaweed in two postal packets destined for the United States at the Airport.



Ketamine concealed in desiccant bags inside packages of seaweed

- Seized 3.92 kg of ketamine with a retail value of HK\$1.2 million concealed inside packages of seaweed in a consignment destined for the United States at the Airport.



Ketamine concealed inside packages of seaweed

- Mounted a joint operation with the Australian Federal Police and the National Police of Colombia resulting in the seizure of 200 kg of liquid cocaine in Colombia.
- Conducted an operation to raid five exhibition booths selling suspected counterfeit jewellery at a fair held at the Hong Kong Convention and Exhibition Centre. Seized 200 pieces of counterfeit jewellery. Eight persons were arrested.



Suspected counterfeit jewellery seized in the operation

April 2017

- Seized a total of 236.8 kg of birds' nest, 1 338 bottles of red wine, 66.5 kg of shark fins, 38 886 mobile phone display panels, 781 vehicle parts and 648 mobile phones with a retail value of HK\$33 million from six outbound private vehicles at the Shenzhen Bay Control Point, a loading yard in Lau Fau Shan and a repacking centre in Fanling. Eleven syndicate members were arrested for conspiracy to export unmanifested cargoes.



High-valued products seized during the operation

- Seized 20 kg of gold slabs with a retail value of HK\$6.4 million from an inbound private vehicle at the Shenzhen Bay Control Point.



Gold slabs concealed under the seats of the private vehicle

- Seized a total of 6 998 central processing units, 360 kg of silver slabs, 469 computer hard disks, 1 288 mobile phones and 610 display panels with a retail value of HK\$9.1 million from an outbound container truck at the Lok Ma Chau Control Point, a loading yard in Sheung Shui and a repacking centre in Kowloon Bay. Eight syndicate members were arrested for conspiracy to export unmanifested cargoes.



Electronic products seized from the false compartment in the axles of the container truck and silver slabs seized at the loading yard

- Seized 1 128 kg of geoduck clams and 589 boxes of stationery and skin care products with a retail value of HK\$3.2 million on board a fishing vessel off Waglan Island.



Geoduck clams, stationery and skin care products seized

- Seized 119 000 bottles of suspected pharmaceutical products (Sinupret Drops) with a retail value of HK\$5.9 million from an inbound container arriving from Huangpu.



Suspected pharmaceutical products (Sinupret Drops) seized

- Seized 9 kg of cocaine with a retail value of HK\$9.2 million inside the checked suitcase of a passenger arriving from South Africa at the Airport.



9 kg of liquid cocaine camouflaged as 9 metal cans of canned food was seized

- Seized 2.3 kg of cocaine, 41 gm of crack cocaine, 80 gm of methamphetamine with a retail value of HK\$2.4 million and the arrest of two persons in Kwai Chung.



2.3 kg of cocaine seized

- Seized 1.3 kg of cocaine with a retail value of HK\$1 million inside the metal frames of two checked suitcases of a passenger arriving from Brazil via Ethiopia at the Airport.



1.3 kg of cocaine found inside the metal frames and wheels of two checked travel bags

- Seized 9.8 kg of ketamine with a retail value of HK\$3.16 million camouflaged as desiccant bags inside packages of seaweed in two postal packets destined for the United States at the Airport.



Ketamine concealed in desiccant bags inside seaweeds

- Seized 7.44 kg of methamphetamine with a retail value of HK\$2.61 million concealed inside packages of active carbon in a postal packet destined for Australia at the Airport.



Methamphetamine concealed inside packages of active carbon

- Mounted a joint operation with the Anti-Smuggling Bureau of Guangdong Provincial Public Security Department, the New Zealand Police and the New Zealand Customs Service resulting in the seizure of 160 kg of T-boc methamphetamine with four arrestees in New Zealand.

- Conducted a territory-wide anti-piracy operation against shops selling pirated optical discs (PODs) and seized about 145,000 suspected PODs with a retail value of about HK\$2.9 million. A total of 14 shops were raided and 16 persons were arrested.



Retail shop selling pirated optical discs

- Conducted an operation to raid an exhibition booth selling suspected infringing party glasses at a fair held at the Hong Kong Convention and Exhibition Centre. Seized 7 pieces of suspected infringing party glasses displayed as a sample at the booth. Two persons were arrested.



Suspected infringing party glasses seized in the operation

May 2017

- Organized a briefing session on Best Practices of Motor Trading Business in the Customs Headquarters Building. About 100 representatives of the motor vehicle traders took part in the briefing session. Certificates of appreciation were presented to the representatives of four major motor vehicle associations in recognition of their tremendous contributions for continuous partnership with the Hong Kong Customs in revenue protection.



Briefing session on Best Practices of Motor Trading Business held in the Customs Headquarters Building

- Seized a total of 2.4 million illicit cigarettes with a retail value of HK\$6.4 million from an incoming lorry at the Man Kam To Control Point.



Illicit cigarettes seized at the Man Kam To Control Point

- Seized 33 492 numbers of prohibited weapons of spring assisted knife and throwing dart with a retail value of HK\$2.2 million from a transshipment container destined for the US from Huangpu via Hong Kong.



Prohibited weapons of spring assisted knife and throwing dart seized

- Seized 6 971 kg of pangolin scales declared as “processed charcoal” with a retail value of HK\$4.6 million from an inbound container arriving from Nigeria.



Pangolin scales seized

- Seized 61.88 kg of raw and worked ivory with a retail value of HK\$1.1 million from a passenger arriving from Guangzhou at the Airport.



Raw and worked Ivory concealed in computer tower cases

- Seized 131 kg of cannabis buds with a retail value of HK\$21.5 million of a consignment arriving from Canada with the arrest of three persons in Tsuen Wan.



131 kg of cannabis buds seized from a consignment arriving from Canada

- Seized 2 kg of cocaine with a retail value of HK\$1.9 million in 4 zip lock bags hidden in 2 paper boxes with the arrest of a person in Jordan.



2 kg of cocaine seized in 4 zip lock bags hidden in 2 paper boxes

- Seized 1.3 kg of cocaine with a retail value of HK\$1.2 million and the arrest of a person at the Airport. The cocaine was smuggled by way of internal concealment.



Pellets of cocaine swallowed by the offender

- Mounted a joint operation with the Anti-Smuggling Bureau of Shenzhen Customs, the Shenzhen Public Security Bureau and the Hong Kong Police Force resulting in the seizure of 16.2 kg of cocaine, 5.8 kg of methamphetamine and two cross-boundary vehicles with four arrestees in the Mainland.

June 2017

- Seized a total of 881 cut diamonds and 142.7 g of point-size diamonds with a retail value of HK\$11 million from an outbound private vehicle at the Shenzhen Bay Control Point.



Diamonds concealed behind the control panel of the private car

- Seized 10 numbers of live African Spurred Tortoises, 49 kg of raw amber rocks and 746 kg of animal fur with a retail value of HK\$3.3 million in a joint operation with the Marine Police against sea smuggling in Tai O.



Live African Spurred Tortoises, raw amber rocks and animal fur seized

- Seized 10.5 kg of rhino horns with a retail value of HK\$2.1 million from a passenger arriving from Indonesia at the Airport.



Rhino horns concealed inside the baggage

- Conducted a joint operation with the US authorities against a transnational criminal syndicate exporting counterfeit batteries to the U.S. for sale. Seized 20,000 numbers of suspected counterfeit batteries and accessories with a retail value of about HK\$2 million and arrested 10 persons in Hong Kong. On the U.S. side, the US authorities intercepted and seized about 9,180 numbers of suspected counterfeit batteries and accessories with a retail value of about USD 284,000 from the consignments referred by the Department in February and April 2017.



Suspected counterfeit batteries seized in HK

- Mounted a joint operation with the U.S. Drug Enforcement Administration resulting in the seizure of 2.1 kg of cocaine camouflaging as four shoe soles with a retail value of HK\$2 million and the arrest of three persons in Yau Ma Tei.



2.1 kg of cocaine camouflaged as four shoe soles seized

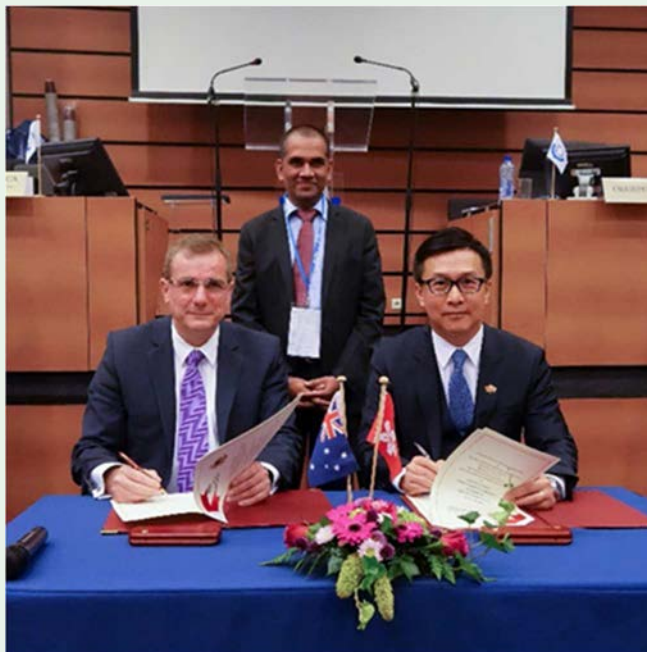
- Mounted a joint operation with the U.S. Immigration and Customs Enforcement resulting in the seizure of 18.2 kg of assorted drugs with a retail value of HK\$3.6 million at the General Post Office and arrested a person in Tuen Mun.



18 kg of assorted dangerous drugs seized

July 2017

- The Commissioner of Customs and Excise signed a Mutual Recognition Arrangement (MRA) for the Authorised Economic Operator (AEO) Programme with the Australian Border Force, Department of Immigration and Border Protection, Australia in Brussels, Belgium. Under the MRA, the Hong Kong AEO Programme and the Australian Trusted Traders Programme are mutually recognised.



Commissioner of Customs and Excise, Mr. Hermes Tang (1st right), signed an MRA for the AEO Programme with the Australian Border Force, Department of Immigration and Border Protection, Australia in Brussels, Belgium on 6 July 2017

- Seized 3 million sticks of illicit cigarettes with a retail value of HK\$8.2 million from four 40-foot containers at the Kwai Chung Customhouse. The cigarettes were concealed inside bags of plastic granules and used auto parts.



Illicit cigarettes found concealed inside the four 40-foot containers

- Seized a total of 54 kg of gold slabs with a retail value of HK\$16.9 million from an incoming private car at the Lok Ma Chau Control Point. The gold slabs were found concealed under the carpets of the driver seat and the front passenger seat.



Gold slabs concealed under the carpets of the driver seat and the front passenger seat

- Seized 238 bales of rucksacks bearing suspected forged trademark with a retail value of HK\$6.8 million from a transshipment container destined for Haiti from Sanshan via Hong Kong.



Suspected counterfeit rucksacks seized

- Seized 7 031 kg of raw ivory tusks declared as “frozen fish” with a retail value of HK\$70 million from an inbound container arriving from Malaysia.



Ivory seized

- Seized 8.17 kg of rhino horns with a retail value of HK\$1.6 million from a passenger arriving from South Africa at the Airport.



Rhino horns concealed inside the baggage

- Seized 220 outbound parcels containing suspected dangerous drugs destined for Australia, Brazil, Canada, France, Japan, New Zealand, Norway, Russia, Spain, the UK and the US, with a total retail value of HK\$29.8 million during a series of special operations against trafficking of dangerous drugs at the General Post Office.



Suspected dangerous drugs (Cocaine, Codeine, Fentanyl, Heroin, Ketamine, Mephedrone, Methadone, Methamphetamine and Methylone) seized

- Seized a total of 20.9 kg of cocaine with a retail value of HK\$20.2 million from an incoming private car at the Shenzhen Bay Control Point.



Cocaine seized at Shenzhen Bay Control Point

- Seized 1.3 kg of cocaine with a retail value of HK\$1.3 million from a passenger arriving from Brazil via South Africa at the Airport. The cocaine was smuggled by way of internal concealment.



Pellets of cocaine swallowed by the offender

- Seized 1.5 kg of cocaine with a retail value of HK\$1.4 million concealed inside metal frames of two suitcases of a passenger arriving from Brazil via the United Arab Emirates at the Airport.



1.5 kg of cocaine concealed inside metal frames of suitcases

- Seized 1.2 kg of cocaine with a retail value of HK\$1 million concealed inside 13 thermal cups from a parcel arriving from Uruguay at the Airport and arrested a person in Kwai Chung.



1.2 kg of cocaine concealed inside thermal cups

- Mounted a joint operation with the Australian Federal Police and seized 11.9 kg of methamphetamine with a retail value of HK\$3.7 million concealed in 12 carton boxes of shuttlecock arriving from the Mainland and bound for Australia.



11.9 kg of methamphetamine concealed in a consignment of shuttlecock

- Seized 3.4 kg of cocaine with a retail value of HK\$3.3 million concealed inside plastic mugs in a consignment originating from Uruguay at the Airport.



Cocaine concealed inside plastic mugs

- Seized a total of 825 kg of dried khat in seven cases with a retail value of HK\$4.83 million in sixty postal packets originating from Ethiopia at the Airport.



Dried Khat seized in postal packets

- Mounted a joint operation with the Anti-Smuggling Bureau of Shenzhen Customs and the Shenzhen Municipal Public Security Bureau resulting in the seizure of 40 kg of cocaine with the arrest of two persons in Hong Kong and seven persons in the Mainland.
- Smashed an upstairs showroom in Mong Kok and seized 3 000 pieces of suspected counterfeit products including clothing, shoes, watches and eyeglasses, with a retail value of HK\$1.2 million. One person was arrested.



Suspected counterfeit products seized in the operation

August 2017

- Hong Kong Customs participated in the 2nd Meeting of the APEC Sub-Committee on Customs Procedures and the APEC Customs-Business Dialogue in Ho Chi Minh City, Vietnam.



Participants of the 2nd Meeting of the APEC Sub-Committee on Customs Procedures in Ho Chi Minh City, Vietnam

- Passing-out Parade for officers of Nos. 391 to 396 Customs Officer Induction Courses, with Mr John Lee Ka-chiu, SBS, PDSM, PMSM, JP, Secretary for Security, as the Inspecting Officer.



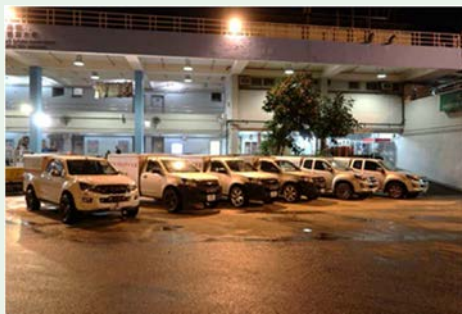
Passing-out Parade on 17 August 2017

- Held the award certificate presentation ceremony of the “Sea Cargo Pre-shipment Declaration Scheme 2017 and Partnership Programme with Container Terminal Operators Presentation Ceremony” (the Scheme) to present Gold and Silver Award Certificates to 46 sea cargo carriers / companies in recognition of their active participation in the Scheme. Certificates of Appreciation were also presented to the six container terminal operators for their strenuous support given to the Department.



Assistant Commissioner of Customs and Excise (Boundary and Ports), Ms Louise Ho, presented Award Certificates and Certificates of Appreciation to the winning sea cargo carriers/companies and representatives of container terminal operators respectively

- Seized a total of 18 kg of gold slabs with a retail value of HK\$7.8 million from six inbound pick-up trucks at the Man Kam To Control Point. The gold slabs were found concealed around the drivers' waist. Seven syndicate members were arrested for conspiracy to import unmanifested cargoes.



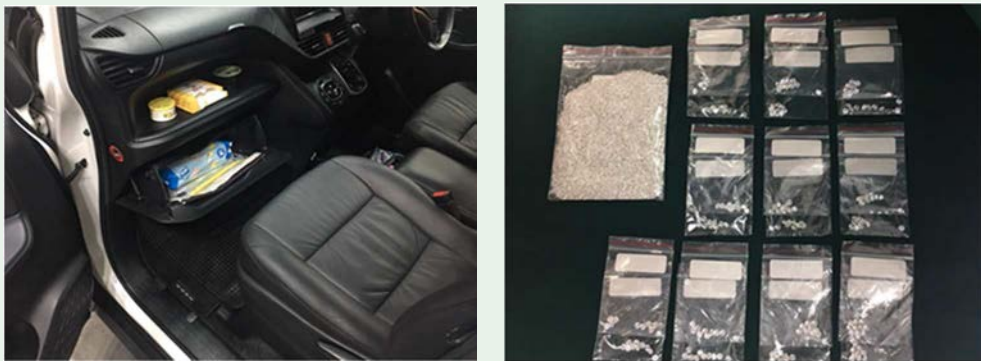
Gold slabs found concealed around the waist of the drivers of six pick-up trucks

- Seized 76 kg of gold slabs with a retail value of HK\$24 million from an inbound private vehicle at the Lok Ma Chau Control Point.



Gold slabs concealed under the passenger seats and in the boot of the private vehicle

- Seized a total of 200 cut diamonds and 90.7 g of point-size diamonds with a retail value of HK\$5.5 million from an outbound private vehicle at the Shenzhen Bay Control Point.



Diamonds concealed in the glove box of the private car

- Seized a total of 628 996 integrated circuits, 6 000 mobile phone display panels, 538 computer circuit boards, 14 550 mobile phone parts and 990 bags of plastic pallets with a retail value of HK\$2.2 million from an outbound container truck at the Lok Ma Chau Control Point.



Electronic products and plastic pallets seized

- Seized 13 380 kg of red sandalwood declared as “wood logs” with a retail value of HK\$9.4 million from an inbound container arriving from Malaysia



Red sandalwood seized

- Seized 3 kg of cocaine with a retail value of HK\$2.9 million concealed inside false compartments of the suitcase and backpack of a passenger arriving from Brazil via the United Arab Emirates at the Airport.



3 kg of cocaine concealed in false compartments of a backpack and a suitcase

- Mounted a joint operation with the Anti-Smuggling Bureau of Shenzhen Customs and the Shenzhen Municipal Public Security Bureau resulting in the seizure of 40 kg of cocaine with nine arrestees in Dongguan and Shenzhen.

September 2017

- Seized 4,972 kg of tobacco molasses with nicotine with a retail value of HK\$6.9 million and duty potential of HK\$11.4 million camouflaged as aroma gel products in a consignment originating from the United Arab Emirates at the Airport.



166 carton boxes found in the consignment



4,972 kg of tobacco molasses seized

- Seized 12 kg of gold slabs with a retail value of HK\$4.2 million from an inbound school bus at the Man Kam To Control Point.



Gold slabs concealed inside the false compartment of the school bus

- Seized a total of 33 031 904 integrated circuits, 411 282 mobile phone parts, 20 311 hard disk drives, 64 938 USB flash drives, 3 406 random access memory, 8 775 watch parts, 3 040 memory cards, 250 000 electronic parts and 625 kg of rubber beads with a retail value of HK\$25 million from an outbound lorry at the Lok Ma Chau Control Point.



Rubber beads and electronic products seized

- Seized a total of 4 080 central processing units, 494 random access memory and 2.75 kg of worked ivory with a retail value of HK\$4 million from an outbound container truck at the Lok Ma Chau Control Point.



Electronic products and worked ivory concealed inside the false compartment of the trailer

- Seized 59.71 kg of worked ivory with a retail value of HK\$1.2 million concealed inside computer tower cases from two passengers arriving from Zimbabwe via the United Arab Emirates at the Airport.



Worked ivory concealed inside computer tower cases

- Seized 12 370 kg of red sandalwood declared as “wood logs” with a retail value of HK\$8.6 million from an inbound container arriving from Malaysia.



Red sandalwood seized

- Seized 14.5 kg of cannabis resin with a retail value of HK\$1.3 million camouflaged as food seasoning in the checked baggage of an incoming passenger arriving from India at the Airport.



14.5 kg of cannabis resin camouflaged as food seasoning

- Seized 9.8 kg of cannabis buds and 45 g of cannabis resin with a total retail value of HK\$2 million concealed in an air filter inside a parcel arriving from Canada at the Airport and arrested two persons in Yau Ma Tei.



9.8 kg of cannabis buds and 45 g of cannabis resin concealed in an air filter

- Mounted a joint operation with the U.S. Immigration and Customs Enforcement resulting in the seizure of 1.8 kg of gamma-butyrolactone in 2 parcels and arrest of a person in the U.S.A.
- Mounted a joint operation with the Anti-Smuggling Bureau of Shenzhen Customs and the Shenzhen Municipal Public Security Bureau resulting in the seizure of 120 g of crack cocaine with nine arrestees in Shenzhen.

- Conducted a territory-wide anti-counterfeit medicines operation and smashed a syndicate suspected of supplying counterfeit medicines and controlled medicines. In the operation, seven drug stores and a storage centre were raided. Seized 2,700 pills of suspected counterfeit medicines and 92,000 pills of suspected controlled medicines with a retail value of about HK\$2.05 million. 14 persons were arrested.



Suspected counterfeit medicine and controlled medicine seized in the operation

- Conducted an international operation coordinated by INTERPOL, namely Operation Pangea X, which was a global week of action tackling the online sale of counterfeit and illicit medicines with participation from more than 100 countries. Seized 10,956 tables of counterfeit pharmaceutical products with a retail value of about HK\$1 million in Hong Kong.



Suspected counterfeit medicine seized in the operation

October 2017

- Hong Kong Customs participated in the 27th WCO Asia Pacific Regional Contact Points Meeting in Cairns, Australia.



Participants of the 27th WCO Asia Pacific Regional Contact Points Meeting in Cairns, Australia

- The Year-round Recruitment of Customs Officers commenced with a view to meeting the substantial manpower demand of prospective commissioning of new boundary-crossing facilities.



Commandant of Customs and Excise Training School, Ms. Cecilia Tam, spoke in a press conference on Year-round Recruitment of Customs Officers.

- Seized a total of 887 mobile phones with a retail value of HK\$1.9 million from an outbound private vehicle at the Lok Ma Chau Control Point, a storage in Sheung Shui and a repacking centre in Kwun Tong. Five syndicate members were arrested for conspiracy to export unmanifested cargoes.



Mobile phones seized from the vehicle and the storage

- Seized 43.3 kg of worked ivory and 2.1 kg of rhino horns with a total retail value of HK\$1.3 million from three passengers arriving from Zimbabwe via the United Arab Emirates at the Airport.



Worked ivory and rhino horns seized

- Seized 16.7 kg of cannabis with a retail value of HK\$2.5 million from the cooler of an empty container at Container Terminal 2.



16.7 kg of cannabis found in a container

- Seized 10.2 kg of ketamine with a retail value of HK\$3.1 million wrapped around the waists and thighs of five persons arriving from Cambodia and destined for Taiwan at the Airport.



10.2 kg of ketamine wrapped around the waist and thighs

- Seized 5.3 kg of cocaine with a retail value of HK\$4.7 million camouflaged as ten candles inside a parcel arriving from Peru via Paris at the Airport and arrested a person in Wong Tai Sin.



5.3 kg of cocaine camouflaged as ten candles

- Seized 1.95 kg of cocaine with a retail value of HK\$1.98 million from a passenger arriving from Ethiopia at the Airport. The cocaine was smuggled by way of concealment inside the false compartment of a suitcase.



Cocaine concealed inside the false compartment of suitcase

- Seized a total of 2.1 kg of cocaine with a retail value of HK\$1.84 million concealed inside 15 numbers of water filter in a consignment originating from Uruguay at the Airport.



Cocaine concealed inside 15 nos. of water filters



2.1 kg of cocaine seized

- Seized 4.5 kg of herbal cannabis with a retail value of HK\$1 million camouflaged as dried food in a postal packet originating from Nigeria at the Airport.



Herbal cannabis camouflaged as dried food



- Seized a total of 380 kg of dried khat in five cases with a retail value of HK\$2.22 million in 25 postal packets originating from Ethiopia at the Airport.



Dried khat seized in postal packets

- Seized 1.4 kg of crack cocaine, 3 g of cannabis buds and 1 g of ketamine with a total retail value of HK\$1.8 million with the arrest of two persons in Pat Heung.



1.4 kg of cocaine seized in Pat Heung

November 2017

- Hong Kong Customs participated in the 30th Anniversary Ceremony of the WCO Regional Intelligence Liaison Office for Asia and the Pacific (RILO A/P) in Seoul, Korea.



Participants of the 30th Anniversary Ceremony of RILO A/P in Seoul, Korea

- In coordination with the WCO Asia Pacific Regional Office for Capacity Building (ROCB A/P), Hong Kong Customs organized the WCO Asia Pacific Regional Workshop on Cyber Investigation and Digital Forensics between 21 and 23 November 2017, with participation of a total of 28 officers from 23 member administrations.



Officiating officials, workshop facilitators and participants from 23 member administrations at the opening ceremony of the WCO Asia Pacific Regional Workshop on Cyber Investigation and Digital Forensics

- Seized 2.8 million sticks of illicit cigarettes with a retail value of HK\$7.4 million from a 20-foot container at the River Trade Terminal. The cigarettes were mixed-loaded with cartons of assorted household goods and clothes.



Illicit cigarettes mixed-loaded with cartons of assorted household goods and clothes

- Seized 5 375 central processing units with a retail value of HK\$7.1 million from an outbound container truck at the Lok Ma Chau Control Point.



Electronic products concealed inside the false compartment of the trailer

- Seized 234 cartons of shoes bearing suspected forged trademark with a retail value of HK\$1 million from a transshipment container destined for Brunei Darussalam from Huangpu via Hong Kong.



234 cartons of shoes bearing suspected forged trademark seized

- Seized 5.5 kg of cannabis buds with a retail value of HK\$1 million in an inbound parcel arriving from South Africa via the United Arab Emirates at the Airport.



5.5 kg of cannabis buds found inside an inbound parcel

- Seized 2.33 kg of cocaine with a retail value of HK\$2.08 million from a passenger arriving from Brazil via the Netherlands at the Airport. The cocaine was smuggled by way of concealment inside the inner layer of a rucksack.



Cocaine concealed inside the inner layer of a rucksack

- Seized 2.62 L of liquid cocaine with a retail value of HK\$2.2 million camouflaged as canned peach in a transshipment consignment from Paraguay to Cambodia at the Airport.



Liquid cocaine concealed inside peach cans



2.62 L of liquid cocaine seized

- Seized 1 kg of cocaine with a retail value of HK\$1 million concealed in the false compartment of a foam box in an express courier consignment originating from Peru at the Airport.



Cocaine concealed in the false compartment of a foam box

- Seized a total of 472 kg of dried khat in three cases with a retail value of HK\$2.76 million in 30 postal packets originating from Ethiopia at the Airport.



Dried khat seized in postal packets

- Seized 1.87 kg of cocaine with a retail value of HK\$1.72 million concealed inside metal pulley in a postal packet originating from Bolivia at the Airport.



Cocaine concealed inside metal pulley

- Seized 2 kg of methamphetamine and 0.6 kg of crack cocaine with a retail value of HK\$1.6 million in a rucksack and in a premises with the arrest of a person in Mongkok.



2 kg of methamphetamine and 0.6 kg of crack cocaine seized

- Seized 2.6 kg of cocaine with a retail value of HK\$2.4 million from a passenger arriving from Ethiopia at the Airport.



2.6 kg of cocaine concealed inside the false compartment of a rucksack

- Seized 1.5 kg of heroin with a retail value of HK\$1.3 million with the arrest of a person at the Lok Ma Chau Control Point.



1.5 kg of heroin seized from a waist bag and a tailor-made girdle

- Seized 8.3 kg of ketamine with a retail value of HK\$3.9 million from six persons arriving from Malaysia at the Airport.



8.3 kg of ketamine (part of the seizure) was found wrapped around the buttocks, calf and thighs

- Mounted a joint operation with the Shenzhen Municipal Public Security Bureau and the Narcotics Bureau of Hong Kong Police Force resulting in the seizure of 10 kg of cocaine with three arrestees in Shenzhen.
- Mounted a joint operation with the U.S. Immigration and Customs Enforcement resulting in the seizure of 3.7 kg of GBL with one arrestee in the United States.
- Conducted an operation to raid a newspaper stand selling pirated fortune-telling books and calendars and its storage in Tsim Sha Tsui. Seized 100 suspected pirated fortune-telling books and 12 suspected pirated calendars. One person was arrested.



Suspected pirated fortune-telling books and calendars seized in the operation

- Conducted an operation to raid a medicine shop selling suspected counterfeit medicine and controlled medicine and its two storages in Sheung Shui. Seized 173 000 items of suspected counterfeit medicine and controlled medicine. Two persons were arrested.

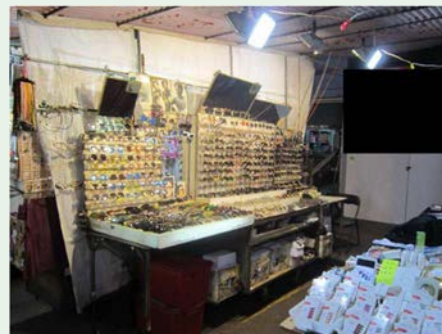


Suspected counterfeit medicine and controlled medicine seized in the operation

- Conducted an operation against shops selling pirated optical discs (PODs) and hawker stalls selling counterfeit products. In the operation, 5 shops were raided. Seized 30,000 suspected PODs, 22,000 suspected obscene optical discs and 500 pairs of suspected counterfeit sunglasses with a retail value of about HK\$1.23 million. Six persons were arrested.



Retail shop selling pirated optical discs



Hawker stalls selling suspected counterfeit sunglasses

December 2017

- The 2017 Review Meeting between the Guangdong Sub-Administration of the General Administration of Customs of the People's Republic of China (GSAC) and Hong Kong Customs was held in Hong Kong.



Commissioner of Customs and Excise, Mr Hermes Tang (left), and Director General of GSAC, Mr Li Shuyu (right), officiated at the opening ceremony of the Review Meeting

- The 34th Annual Meeting between the Macao Customs Service/Macao Economic Services and Hong Kong Customs was held in Hong Kong.



Commissioner of Customs and Excise, Mr Hermes Tang (front row, fourth right) and the Director-General of Macao Customs Service, Mr Vong Iao Lek (front row, fifth right) pictured with both delegations

- Passing-out Parade for officers of No. 114 Inspector Induction Course and Nos. 397 to 405 Customs Officer Induction Courses, with Mr Law Chi-kong, Joshua, GBS, JP, Secretary for the Civil Service, as the Inspecting Officer.



Passing-out Parade on 8 December 2017

- Seized 1.6 million sticks of illicit cigarettes with a retail value of HK\$4.4 million from a cross-boundary tractor at Lok Ma Chau Control Point. The cigarettes were concealed inside a large metal tank onboard the tractor.



Illicit cigarettes concealed inside the large metal tank

- Seized a total of 816 cameras and accessories, 3 373 mobile phones, 469 tablets, 11 520 integrated circuits, 203 electronic parts and 313 kg of pangolin scales with a retail value of HK\$10 million in an operation against sea smuggling in Tai Po.



Electronic products and pangolin scales seized during the operation

- Seized a total of 46 kg of gold slabs with a retail value of HK\$14.4 million from two inbound private vehicles at the Shenzhen Bay Control Point and the Lok Ma Chau Control Point.



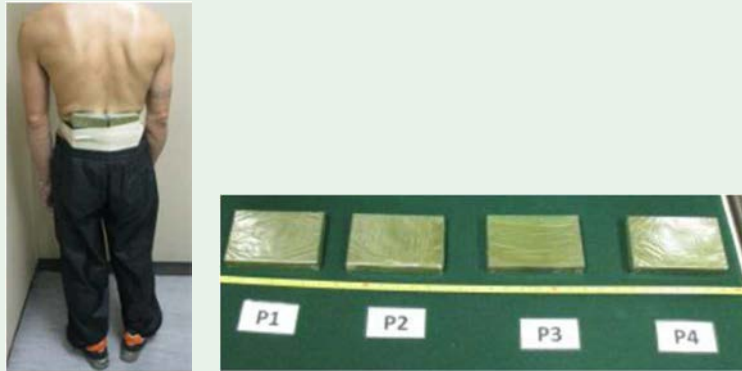
Gold slabs seized in a tray above the center console and the boot of the vehicles

- Seized 8.5 kg of herbal cannabis with a retail value of HK\$1.9 million from an inbound parcel arriving from South Africa via the United Arab Emirates with the arrest of a person in Yuen Long.



8.5 kg of herbal cannabis concealed in four box folders

- Seized 1.53 kg of heroin with a retail value of HK\$1.3 million from an incoming passenger at Lo Wu Control Point.



Heroin packed in four slabs wrapped by a set of elastic strip concealed at the lower back

- Seized 2 kg of cocaine with a retail value of HK\$1.8 million with the arrest of a person in Sha Tin.



2 kg of cocaine seized inside a paper bag

- Seized 5 kg of cocaine and 1 kg of crack cocaine with a retail value of HK\$7.5 million with the arrest of a person in Sheung Shui.



5 kg of cocaine and 1 kg of crack cocaine seized

- Smashed a counterfeiting syndicate in Mong Kok and seized 3 000 pieces of suspected counterfeit goods including watches, handbags and leather goods, with a retail value of HK\$4 million. Three persons were arrested.



Suspected counterfeit products seized in the operation

- Successful prosecution against a piracy syndicate circumventing paid TV channels. Three offenders were sentenced to imprisonment ranging from 21 to 27 months, the heaviest penalty ever for Internet piracy in Hong Kong.



TV set-top boxes seized in the operation

Appendices



CUSTOMS AND EXCISE DEPARTMENT

Organization Chart of the Customs and Excise Department

As at 31 December 2017

Commissioner

TANG Yi-hoi

Deputy Commissioner

LIN Shun-yin

Office of Service Quality and Management Audit

Establishment = 11

Internal Audit Division

Establishment = 5

Assistant Commissioner (Administration and Human Resource Development)

NGAN Hing-cheung

Assistant Commissioner (Boundary and Ports)

HO Pui-shan (Ms)

Assistant Commissioner (Excise and Strategic Support)

TAM Yat-keung

Assistant Commissioner (Intelligence and Investigation)

LAI Lau-pak

Head of Trade Controls

FU Lai-ha (Ms)

Office of Prosecution and Management Support

Establishment = 60

Office of Service Administration

Establishment = 375

Office of Training and Development

Establishment = 124

Office of Departmental Administration

Establishment = 109

Office of Financial Administration

Establishment = 91

Complaints Investigation Group

Establishment = 6

Airport Command

Establishment = 993

Land Boundary Command

Establishment = 1,203

Ports and Maritime Command

Establishment = 744

Rail and Ferry Command

Establishment = 619

Office of Customs Affairs and Co-operation

Establishment = 29

Office of Dutiable Commodities Administration

Establishment = 150

Office of Information Technology

Establishment = 100

Office of Project Planning and Development

Establishment = 16

Office of Supply Chain Security Management

Establishment = 14

Information Unit

Establishment = 1*

*Excluding 3 posts on loan from Information Services Department

Customs Drug Investigation Bureau

Establishment = 261

Intellectual Property Investigation Bureau

Establishment = 252

Intelligence Bureau

Establishment = 192

Revenue and General Investigation Bureau

Establishment = 211

Syndicate Crimes Investigation Bureau

Establishment = 212

CEPA and Trade Inspection Bureau

Establishment = 143

Consumer Protection Bureau

Establishment = 90

Money Service Supervision Bureau

Establishment = 40

Trade Declaration and Systems Bureau

Establishment = 80

Trade Descriptions Investigation Bureau

Establishment = 95

Trade Investigation Bureau

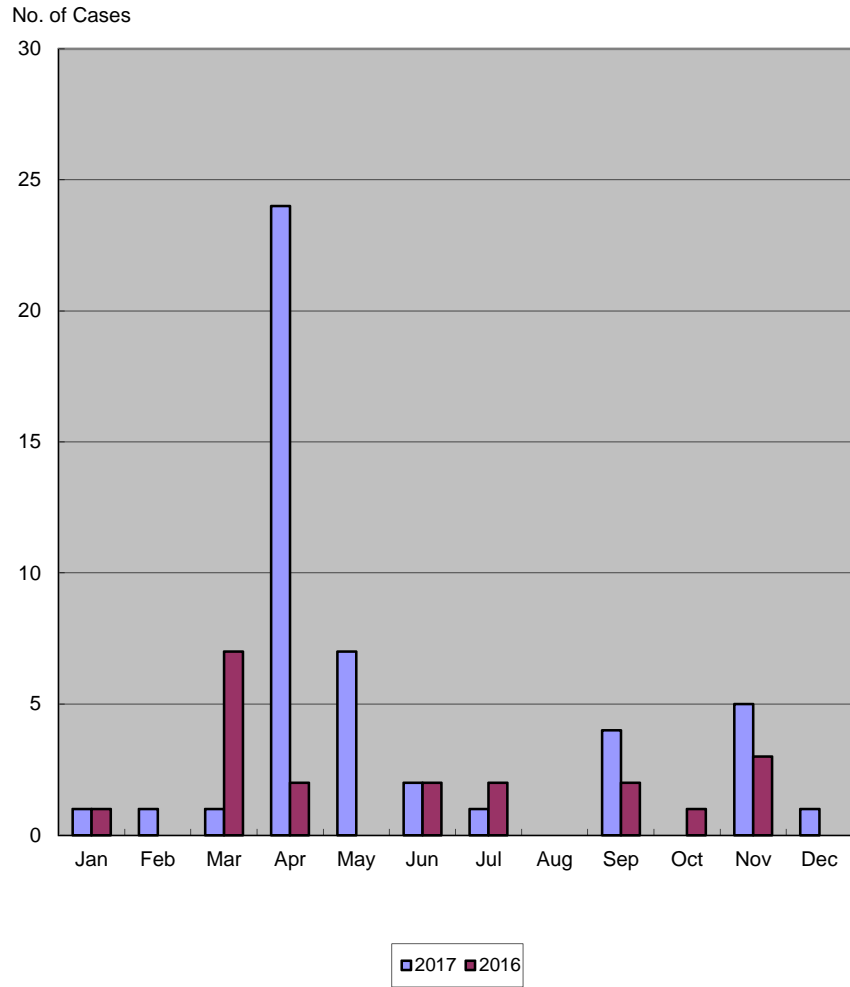
Establishment = 62

Establishment and Strength Position

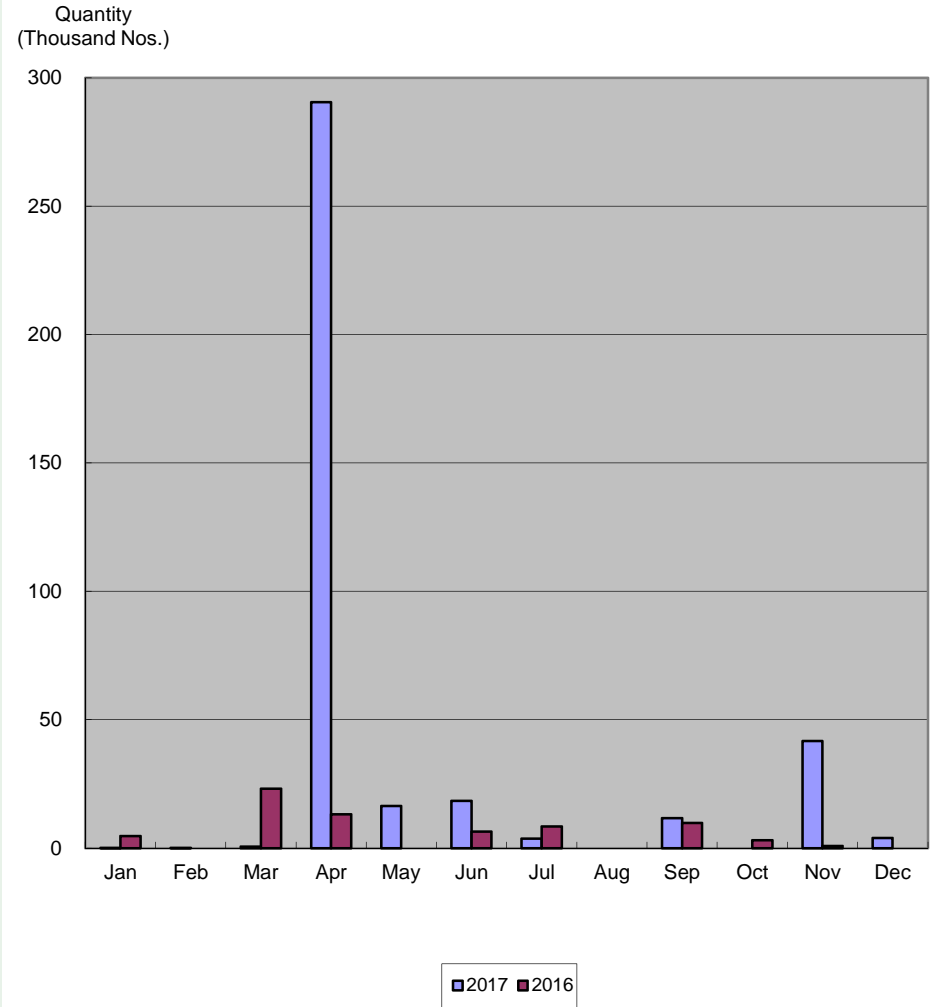
Category/Grade	2016		2017	
	(as at 31 December 2016)		(as at 31 December 2017)	
	Establishment (No.)	Strength (No.)	Establishment (No.)	Strength (No.)
Directorate Posts	9	5	9	6
Sub-total	9	5	9	6
Departmental Grades				
Superintendent/Inspector of Customs and Excise Grades	966	976	1,036	1,026
Customs Officer Grade	3,904	3,916	4,145	4,171
Trade Controls Officer Grade	470	446	475	482
Sub-total	5,340	5,338	5,656	5,679
General and Common Grades				
Executive Officer/Training Officer Grades	29	29	29	29
Treasury Accountant/Accounting Officer Grades	14	14	14	14
Official Languages Officer/Calligraphist Grades	19	19	20	20
Statistician/Statistical Officer Grades	5	5	5	5
Secretarial Grades	39	38	37	37
Clerical Grades	284	264	293	281
Supplies Grades	55	57	56	56
Others	181	169	181	167
Sub-total	626	595	635	609
Total	5,975	5,938	6,300	6,294

Statistics on Infringing Optical Disc Cases

No. of Infringing Optical Disc Cases (2017 vs 2016)

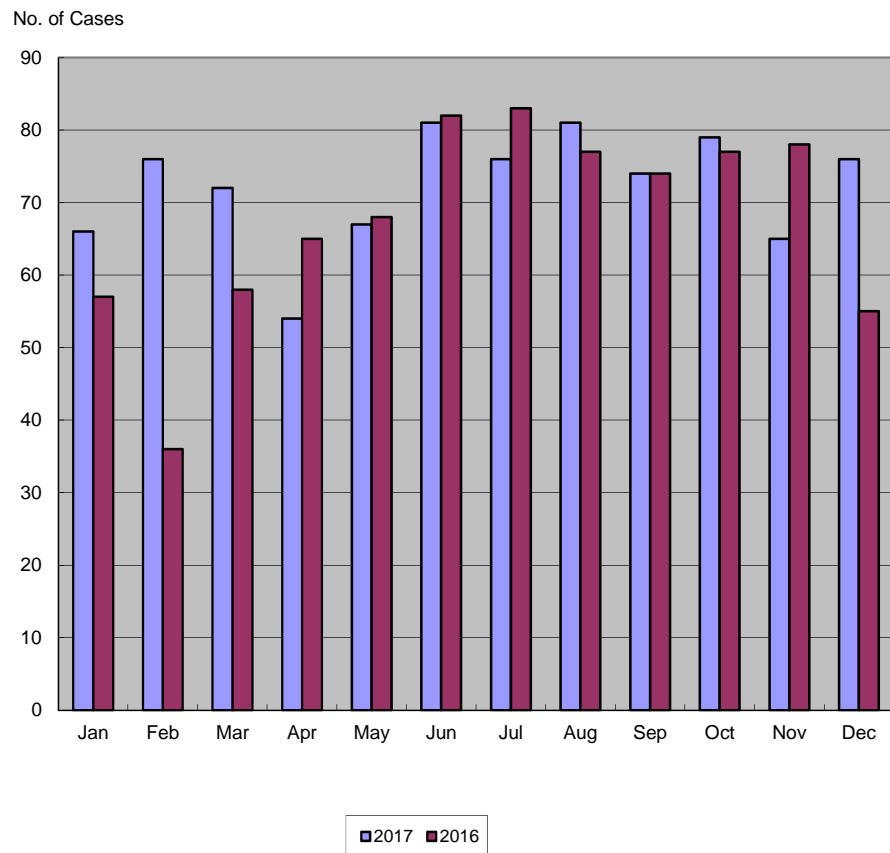


Quantity of Infringing Optical Disc Seized (2017 vs 2016)

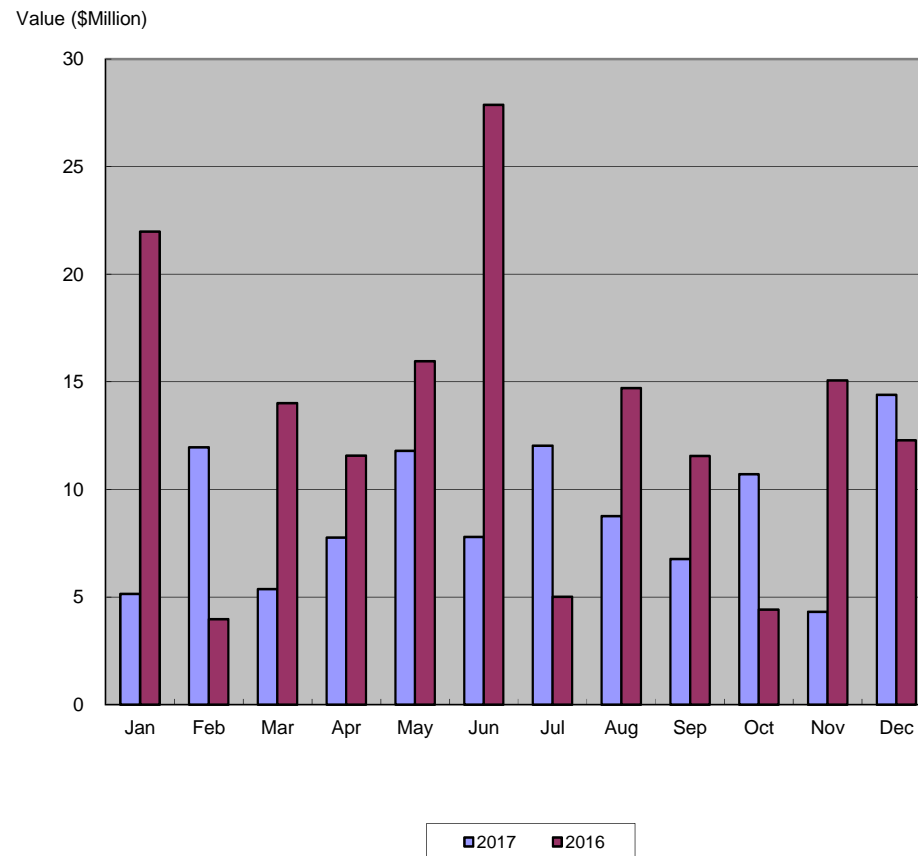


Statistics on Forged Trademark Cases

No. of Forged Trademark Cases (2017 vs 2016)

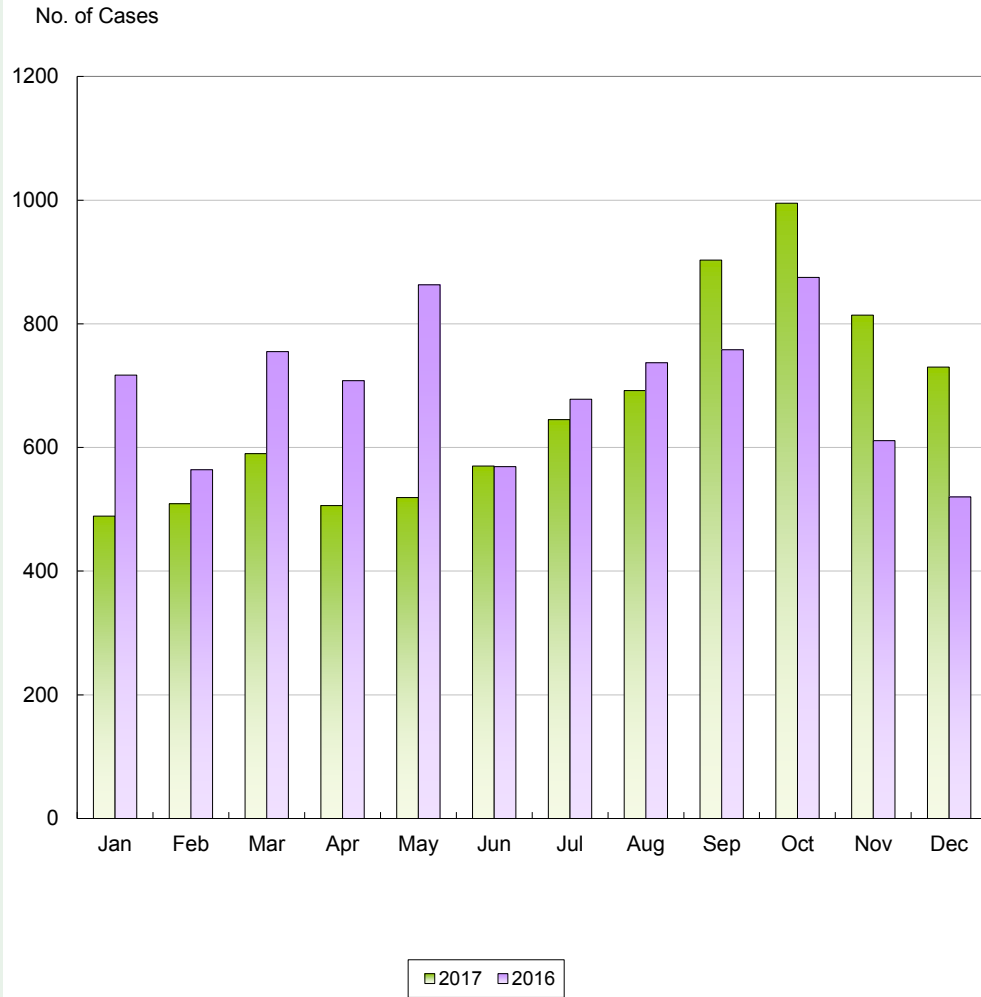


Value of Forged Trademark Goods Seized (2017 vs 2016)

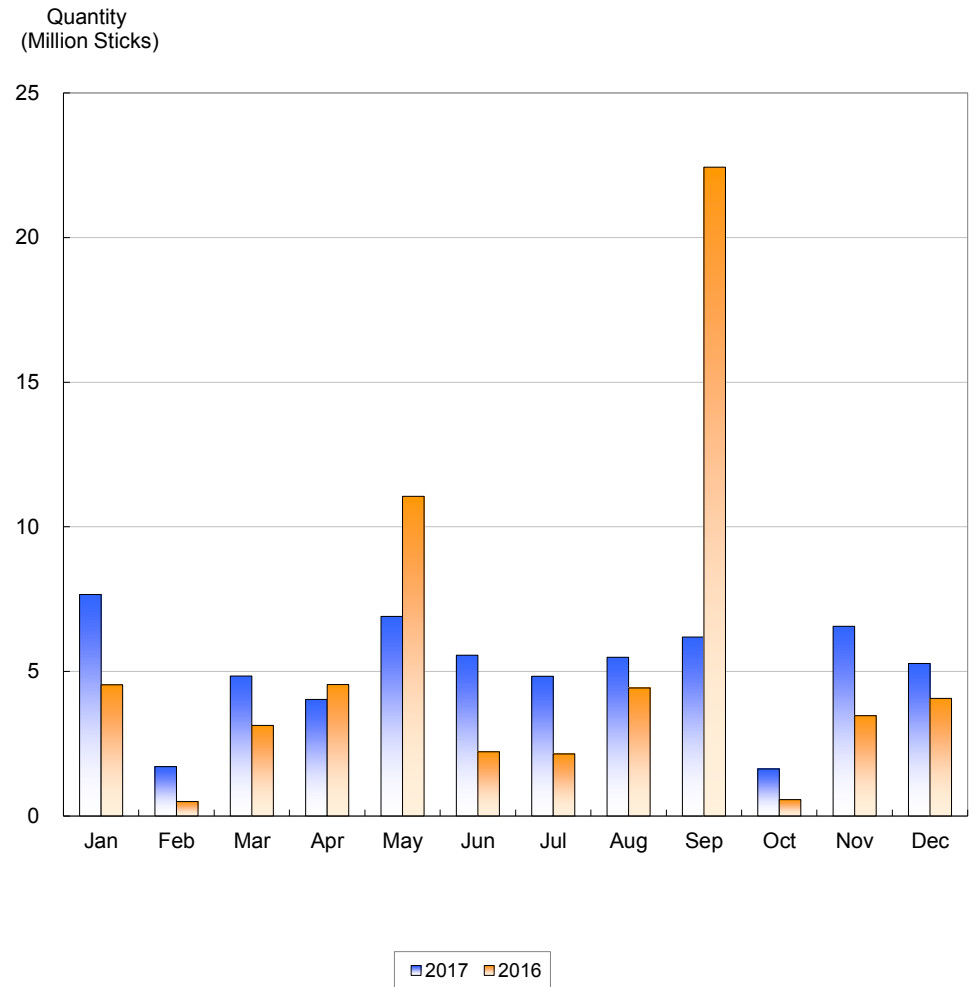


Result of Anti-cigarette Smuggling Operations

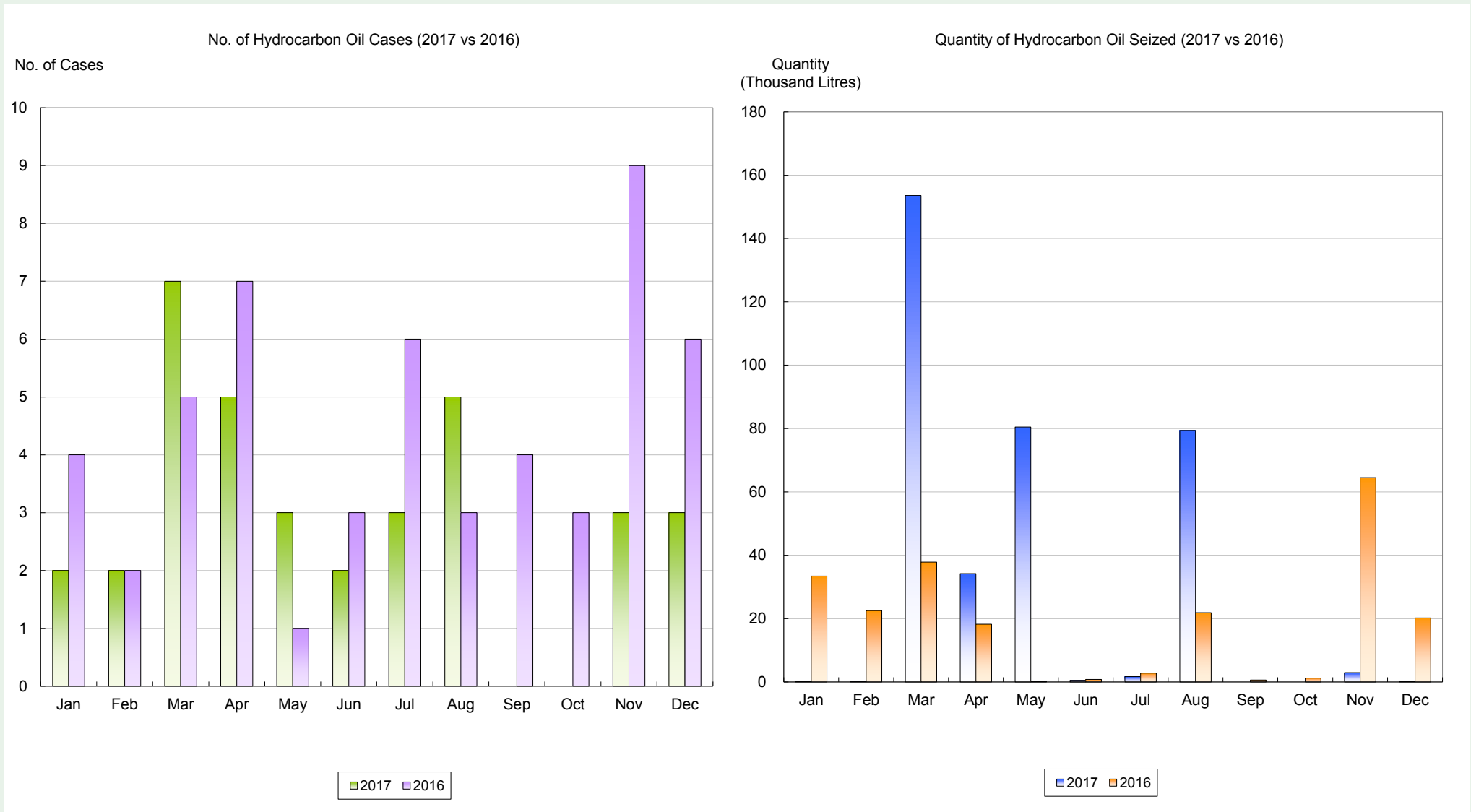
No. of Cigarette Smuggling Cases (2017 vs 2016)



Quantity of Smuggled Cigarettes Seized (2017 vs 2016)



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 2016-17 and 2017-18

	Actual Revenue	
	2016-17	2017-18
	HK\$'000	HK\$'000
Duties		
Hydrocarbon Oils	3,820,445	3,747,272
Tobacco	5,981,024	6,425,638
Alcoholic Beverages	448,613	523,286
Other Alcoholic Products	4,277	4,769
Sub-total	10,254,359	10,700,965
Fees charged under Dutiable Commodities Ordinance		
Licence Fees	4,866	5,283
Attendance Fees	480	476
Denaturing Fees	297	278
Storage Fees	1	0
Sub-total	5,644	6,037
Trade Declaration Charges		
Imports and Exports Declaration Charges	893,383	970,708
Clothing Levy Service Charges (see Note)	56	51
Penalties	79,963	75,104
Sub-total	973,402	1,045,863
Miscellaneous	82,584	87,217
Total	11,315,989	11,840,082
Note : Clothing Industry Training Levy collected on behalf of the Clothing Industry Training Authority	149	119

Actual expenditure for 2016-17 and 2017-18

	Actual Expenditure	
	2016-17	2017-18
	HK\$'000	HK\$'000
Operating Account		
Personal Emoluments		
Salaries	2,561,557	2,666,955
Allowances	63,164	65,318
Job-related allowances	10,893	11,393
Sub-total	2,635,614	2,743,666
Other Recurrent Expenses		
Personnel related expenses	130,285	158,870
Rewards and special services	11,123	12,205
General departmental expenses	591,302	621,748
Land usage cost	3,682	4,699
Grant to the Customs and Excise Service Welfare Fund	290	291
Seizure management	50,714	45,720
Sub-total	787,396	843,533
Capital Account		
Plant, vehicles and equipment	52,059	11,686
Minor plant, vehicles and equipment	22,928	31,722
Sub-total	74,987	43,408
Total	3,497,997	3,630,607

Case Statistics (2016)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Air Pollution Control	1	-	3
Anti-Money Laundering & Counter-Terrorist Financing (Financial Institutions)	50	3	2
Antibiotics	1	-	2
Consumer Goods Safety	53	1	116
Control Over Bunkering Activities	1	-	4
Control of Chemicals	9	1	2,568
Copyright / Prevention of Copyright Piracy	124	158	2,737
Crimes	7	6	139
Criminal Procedure	26	-	3,090
Dangerous Drugs	762	328	431,750
Dangerous Goods	10	8	264
Dutiable Commodities	15 303	8 696	68,690
Firearms & Ammunition	55	8	1,062
Immigration	50	75	725
Import & Export	4 859	4 202	655,943
Organized & Serious Crimes	14	33	190
Pesticides	2	1	91
Pharmacy & Poisons	135	27	10,245
Plant (Importation & Pest Control)	7	1	2
Protection of ES of Animals & Plants	309	174	97,222
Public Health & Municipal Services	591	511	177
Public Health (Animals & Birds)	7	4	78
Public Order	2	-	18
Rabies	17	17	28
Reserved Commodities	39	19	141
Telecommunication	28	1	1,020
Toys & Children's Products Safety	71	-	16
Trade Descriptions	975	749	161,237
Waste Disposal	63	1	10,575
Weapons	24	5	211
Weights & Measures	75	2	200
Other Ordinances	103	116	1
All Ordinances *	23 171	14 811	1,380,442

Case Statistics (2017)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Anti-Money Laundering & Counter-Terrorist Financing (Financial Institutions)	27	4	4
Antibiotics	4	2	19
Consumer Goods Safety	60	-	745
Control of Chemicals	13	3	2,098
Control of Obscene & Indecent Articles	27	30	1,643
Copyright / Prevention of Copyright Piracy	115	145	11,320
Criminal Procedure	47	-	770
Customs & Excise Service	13	15	14
Dangerous Drugs	952	326	336,095
Dangerous Goods	6	6	31
Dutiable Commodities	15 348	8 315	97,701
Firearms & Ammunition	45	14	2,611
Food Safety	27	24	41
Immigration	42	49	10,313
Import & Export	4 960	4 183	680,417
Organized & Serious Crimes	8	15	2,484
Pharmacy & Poisons	282	67	25,167
Plant (Importation & Pest Control)	13	6	64
Protection of ES of Animals & Plants	434	251	150,376
Public Health & Municipal Services	512	413	573
Public Health (Animals & Birds)	7	3	12
Public Order	1	-	65
Rabies	24	23	128
Reserved Commodities	32	5	1,390
Summary Offences	3	-	6
Telecommunication	29	2	1,759
Theft	1	-	1,500
Toys & Children's Products Safety	78	-	160
Trade Descriptions	990	752	116,785
Waste Disposal	37	-	3,740
Weapons	44	20	3,640
Weights & Measures	50	-	100
Other Ordinances	76	46	8
All Ordinances *	23 509	14 348	1,285,432

* 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	2016		2017	
	Quantity	Estimated Value of Seized Items (HK\$'000)	Quantity	Estimated Value of Seized Items (HK\$'000)
Dangerous Drugs ⁽¹⁾				
Heroin (kg)	4.2	3,445	5.6	4,455
Opium (kg)	0.8	190	10.8	1,093
Cannabis (kg)	143.3	28,507	231.7	40,336
Ketamine (kg)	99.3	14,091	58.3	19,654
Cocaine (kg)	244.6	268,895	139.9	138,561
Methamphetamine (kg)	164.6	52,895	122.6	40,175
MDMA (tablet)	117	23	1 721	639
Synthetic Cathinones (bath salts) (kg)	175.7	40,147	348.3	46,560
Other psychotropic drugs (tablet)	42 209	18,073	2 315	4,963
Dutiable Commodities ⁽²⁾				
Cigarette (mille)	64 323	172,260	62 395	165,871
Other tobacco (kg)	8 143	25,658	20 707	13,830
Hydrocarbon oil ('000 litre)	224	880	353	1,197
Liquor ('000 litre)	9	2,123	29	3,581
Import & Export				
Mobile phone (no.)	40 413	63,472	68 272	47,586
Motor vehicle (no.) ⁽³⁾	68	12,794	90	21,827
Vessel / speedboat (no.)	26	2,520	20	1,500
Copyright				
Optical disc ('000 no.)	70	1,753	387	10,949
Book and printing material (no.)	85	2	138	1
Forged Trademark (FTM)				
Garment and accessories ('000 pc)	425	11,390	87	8,123
Leather goods ('000 pc)	110	34,365	38	11,572
Watch and parts ('000 no.)	130	36,294	16	7,349
Footwear ('000 pairs)	184	33,809	61	11,892
Pharmaceutical products ('000 no.)	102	3,070	139	6,582
Electronic, electrical & computer goods ('000 no.)	212	22,162	536	41,353
Others				
Ivory & related products (kg)	531	5,315	7 571	80,190
Fireworks (kg)	29	142	12	2
Firearms and parts (no.)	48	111	9	22

(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

		2016	2017
1. At Control Points			
(i)	No. of persons stopped and searched	105 760	115 490
(ii)	No. of vehicles checked	443 720	479 310
2. Road Block and Road Check Operations			
(i)	No. of operations	-	-
(ii)	No. of vehicles checked	-	-

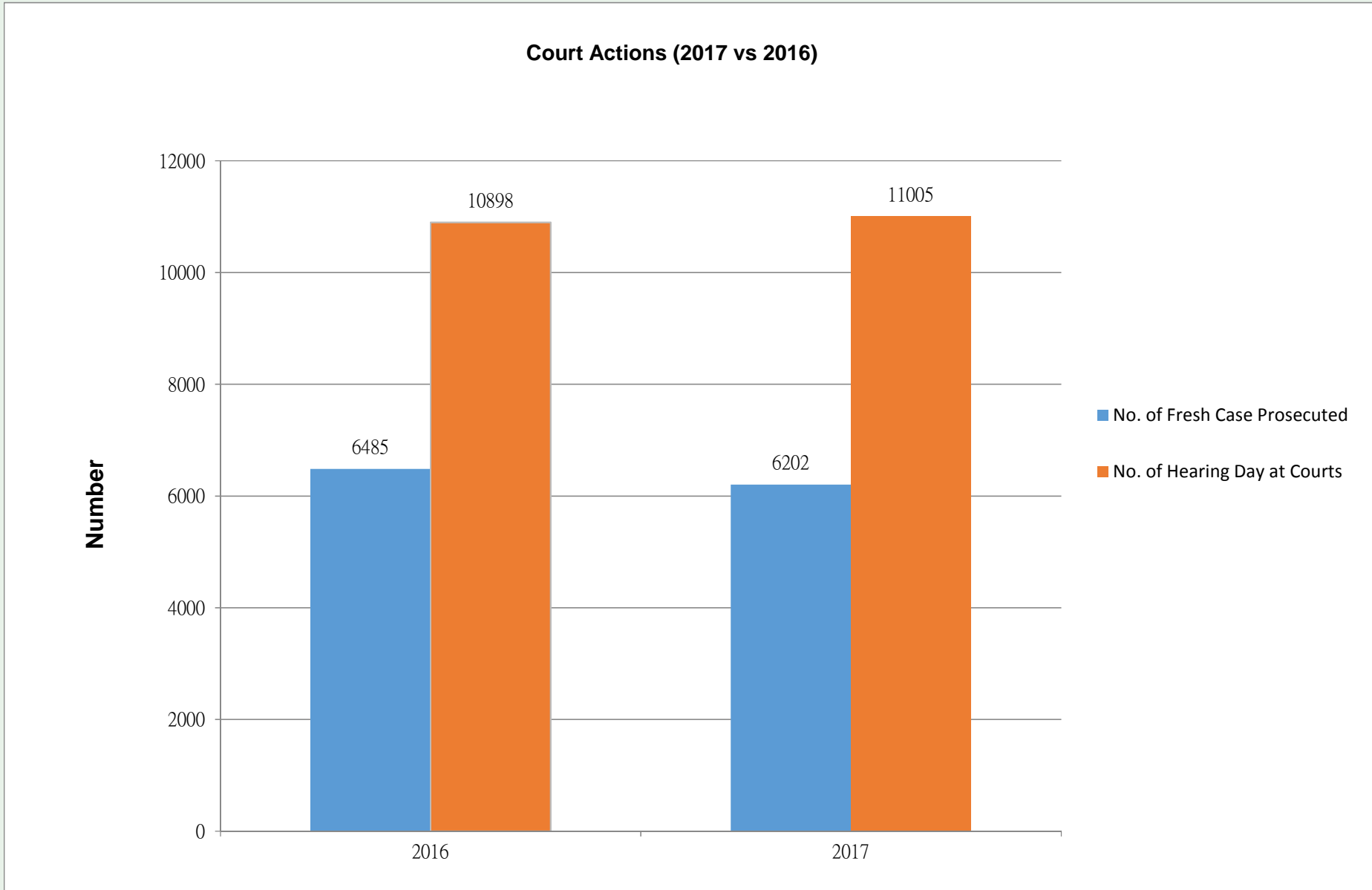
Training and Development Activities

Programme	No. of classes	
	2016	2017
Induction and Continuation		
Induction Course:		
<i>For probationary Inspectors</i>	5	5
<i>For probationary Customs Officers</i>	19	24
<i>For probationary Assistant Trade Controls Officers</i>		3
Continuation Course:		
<i>For probationary Inspectors</i>	5	3
Functional Competency		
<i>For C&E Service Members</i>		
Raiding Techniques Course	1	2
Criminal Intelligence Analysis Training	1	2
Standard Criminal Investigation Course	1	4
Commercial Crime Investigation Course	2	2
Accident Investigation & Prevention Course	2	2
Basic Safety Management Course	1	
Raiding, Apprehension and Escort (RAE) Course for Frontline Officers	4	6
Safe Handling of Chemicals Course		1
Safe Use of Display Screen Equipment Course		2
Certificate of Competence in Manual Handling Course	1	2
Seafreight Operation Course	1	1
Import and Export Trade Practices Course	1	1
Dog Bite Safety Course		1
Prevention of Heat Stroke at Work in a Hot Environment Course	1	
Office Safety cum working Under Inclement Weather and Hot Environment Course		1
Mental Health First Aid Course	1	1
Information Security Essentials: Trends & Latest Updates	1	
Mental Health First Aid Standard Course Extension - Peer Counseling & Skills	1	1
Workshop on Handling of Problem Gambling	1	1
Crisis Incident Stress Management	1	
Safety Inspection Course	2	2
Basic Risk Assessment Course	1	1
Intelligence & Investigation Course	4	3
Training Course for Health and Welfare Managers	1	1
Conflict Management Course	1	1
Prevention of Upper and Lower Limb Disorders Seminar	2	
Advanced Legal Training Course for Prosecution Liaison Officers / OC Cases	1	1
Advanced Legal Training Course on Handling Cases in Courts	1	
Advanced Legal Training Course on Administrative Law and Judiciary Review	1	
Case Management Course for Inspectorate Officers	1	2
Case Processing Course for COG Officers		2
Train-the-Trainer Course on Video Interview System		1
Train-the-Trainer Course on X-ray Screener	1	2
Train-the-Trainer Course on Trace Contraband Detector	2	
Train-the-trainer Course on Passive Millimetre Wave Screening System	1	
Train-the-Trainer Course on Mobile X-ray Vehicle Scanning System	1	1
Train-the-Trainer Course on Conflict of Interest	1	
Cargo Processing Course	7	13
Passenger Processing Course	10	12
Foot Drill Instructor Course	2	3

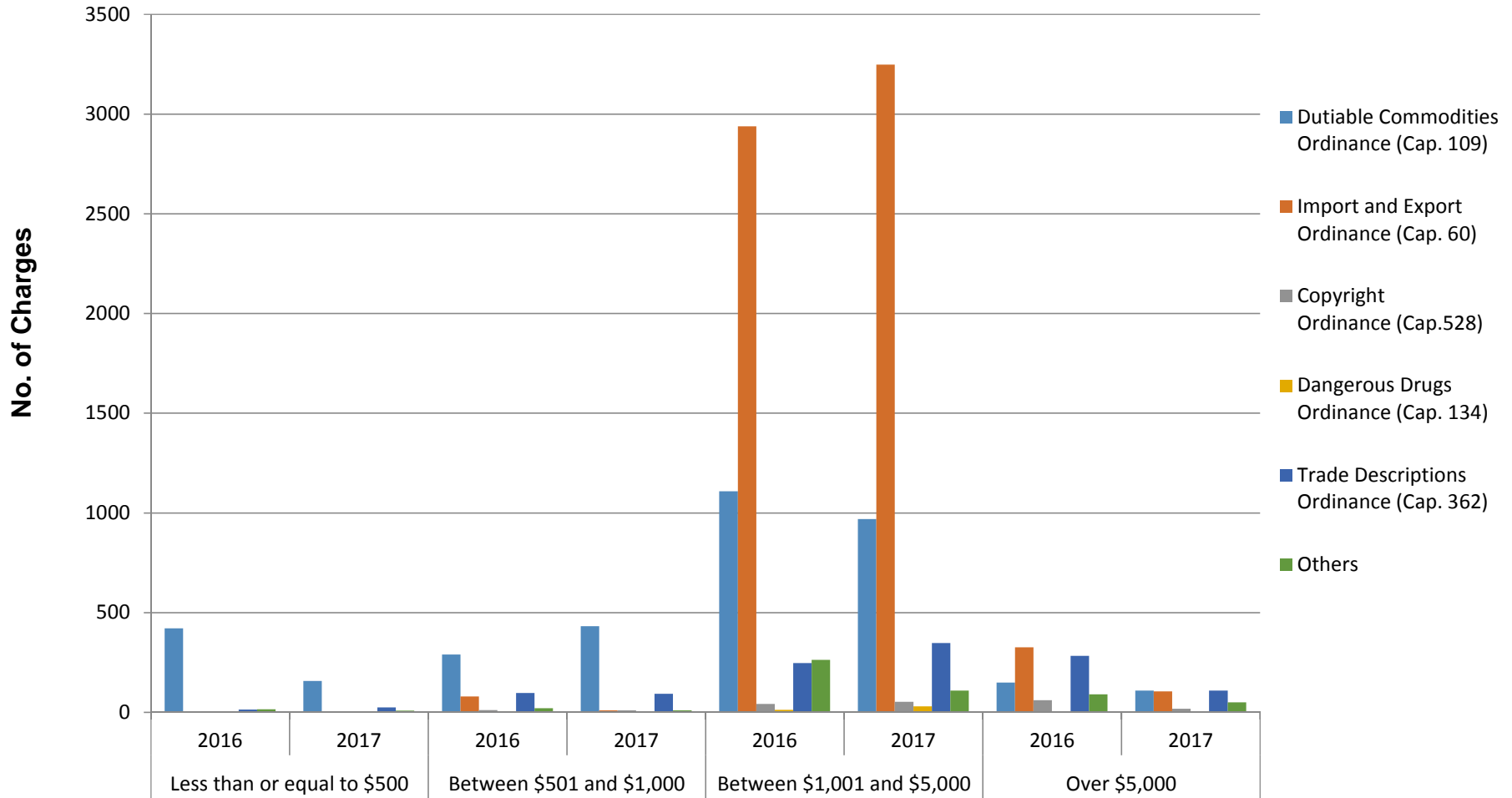
Training and Development Activities

Programme	No. of classes	
	2016	2017
Use of Force Instructors' Course	1	2
Use of Force Instructors' Update Course		4
Shark Fin Identification Workshop		3
Driving Techniques and Safety Workshop		1
Firearms and Special Equipment Training Courses		
Range Management Course	2	2
Arms Cleaning Course	1	2
HK MP5 Sub-machine Gun Training Course	1	
Annual HK MP5 Sub-machine Gun Refresher Course	4	4
Shotgun Training Course	2	2
Annual Shotgun Refresher Course	16	16
Shotgun Instructor Course		1
HK 53 Sub-machine Gun Training Course		1
Annual HK 53 Sub-machine Refresher Course	1	5
Thigh Draw Holster Training Course	1	2
Thigh Draw Holster Refresher Course		8
Signal Pistol Training Course		6
Bus (under 30 seats) Driving Instructor Course	1	
Bus (under 30 seats) Driving Course	4	11
Light Goods Vehicle Driving Course	12	21
<i>For TCOG Officers</i>		
Mock Court Training	1	
Legal Writing for Civil Sanction	2	2
Basic Control Tactics (RAE) Course	1	1
Criminal Investigation Techniques Workshop	3	3
Basic First Aid and Use of Automated External Defibrillator Course	6	
Import and Export Practices and China Cargo Customs Clearance Procedure	1	1
Workshop on Preparation of Prosecution Papers	3	2
Investigation Techniques in Handling Internet Crime	3	3
Conducting Selection Interview Workshop	1	
Legal Training Workshop	1	1
Advanced Workshop on Performance Appraisal Writing for STCO		1
Legal Training Seminar for TCOG Officers		1
Management Development		
<i>For C&E Service Members</i>		
COG Supervisory Course	2	2
Customs Officer Development Course	1	3
Integrity Awareness Seminar	1	2
<i>For Both C&E Service Members and TCOG Officers</i>		
Customs Management Development Course	1	0
Customs Command Course	1	1
<i>For TCOG Officers</i>		
Managing Self Integrity	2	2
Positive Psychology & Customer Service Influencing Skills / Positive Psychology and	1	
TCO Management & Development Programme / Course (Part I)	1	1
TCO Management & Development Programme / Course (Part II)	1	1
Course on Mental Health & Building of Caring Colleagues Culture	1	1
Building Resilience and Creating a Supportive Working Environment		1
Train-the-Mentor Workshop		3

Programme	No. of classes	
	2016	2017
Communication		
<i>For TCOG Officers</i>		
Presentation Skills Workshop		1
Job-related Putonghua Workshop	2	1
Advanced Workshop on Customer Service Skills	1	1
Replies to Enquires / Complaints		1
Advanced Workshop on Presentation Skills		1
Training for Visiting Customs Officials		
Customs Management Course for Mainland Customs		1
Customs Practices Training Course for Mainland Customs	1	1



Range of Fines (2017 vs 2016)



Range of Sentences (2017 vs 2016)

