



Customs and Excise Department

Departmental Review 2020

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Foreword

2020 was a challenging year for all sectors of Hong Kong in face of the violent incidents arising from the opposition to the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill 2019 and the COVID-19 epidemic. Despite the challenges, the staff of the Customs and Excise Department (C&ED) continued to serve the community with commitment and excellence. Apart from keeping up the effective performance in its wide range of duties, the Department has been actively providing support to the Government in the fight against the epidemic, such as manning the quarantine centres, assisting in strengthening contact tracing, participating in anti-epidemic operations, providing administrative support in community vaccination centres, etc. With the National Security Law came into effect on 30 June 2020, the Department has joined hands with other law enforcement agencies to protect our country and safeguard national security in Hong Kong.

The suspension of passenger clearance services at the majority of border control points since early 2020 following the outbreak of COVID-19 induced changes of modus operandi for smuggling. With effective strategy, despite the total number of cases detected by the Department decreased by 74 per cent when compared to 2019 to 7 078 cases in 2020, the value of seizures recorded an increase of 60 per cent to HK\$3.62 billion.

The Department detected a total of 175 smuggling cases for importing or exporting unmanifested cargo with 284 persons arrested in 2020, representing a drop of 14 per cent and an increase of 30 per cent respectively when compared with 2019. The seizure value increased by 70 per cent to HK\$808 million. Among the cases, around 87 per cent involved smuggling activities between the Mainland and Hong Kong. The seizure value of meat and “electrical and electronic goods” recorded a 99 per cent increase to HK\$132 million and 20 per cent increase to HK\$72 million respectively. A total of 289 cases with a seizure value of around HK\$371 million were detected from the air cargo channel, representing a decrease of 0.3 per cent and an increase of 38 per cent respectively.

In relation to anti-narcotics work, 1 111 drug cases were detected, representing a 34 per cent increase compared with the 2019 figure. A total of 200 arrests were made and 3 470 kg of drugs were seized, representing a decrease of 48 per cent and an increase of 61 per cent respectively. Major seizures in order of quantity were cocaine

(907 kg, an increase of 45 per cent), methamphetamine (806.7 kg, an increase of 221 per cent), gamma-Butyrolactone (594.8 kg, an increase of 219 per cent), cannabis (404.5 kg, an increase of 54 per cent), heroin (142.5 kg, a 6-fold increase) while seizures of ketamine and cathinone (bath salts) dropped by 19 per cent to 283.9 kg and 68 per cent to 25.7 kg respectively. Seizures at the airport jumped 89 per cent to 2 594 kg, accounting for about 75 per cent of the total drug seizures in the year. Of the airport seizures, 1 925 kg were made at the air cargo terminals, a 216 per cent increase when compared with the 2019 figure. A total of 33 significant cases, each with a seizure value of more than HK\$10 million, were detected in 2020. In one of the cases, which is the biggest ever methamphetamine seizure by the Department, 500 kg of the drug with a market value of about HK\$300 million was intercepted. In addition to fostering closer co-operation with the Mainland and overseas enforcement agencies to combat the source of drug supply by intelligence exchange and joint operations, the Department continued to work with the logistics industry through the established notification mechanism. A total of 537 drug cases were detected under the mechanism during the year, representing an increase of 198 per cent over 2019.

For revenue collection on dutiable commodities, duty collected by the Department in 2020 was close to HK\$12.08 billion, representing an increase of 11 per cent over 2019. Of the duty collected, 64.75 per cent was from tobacco products (HK\$7.82 billion), 31.07 per cent was from hydrocarbon oil (HK\$3.75 billion) and the rest was from alcoholic products.

Owing to the suspension of passenger clearance services at the majority of border control points, the number of powdered formula cases decreased by 95 per cent to 197 cases. Similarly, the number of illicit cigarette cases and the number of compounding cases for illicit cigarettes decreased by 82 per cent and 88 per cent to 3 159 cases and 1 795 cases respectively. Despite the drop in the number of cases, illicit cigarettes seized increased by 2.7 fold to 205 million sticks. Same as 2019, there were 18 significant smuggling cases (i.e. involving 500 000 or more sticks) into the territory but the seizure increased by two folds to 91 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 combating illicit cigarette activities, and would also enhance partnership with housing estate management offices and telecommunication service providers to combat telephone ordering.

In 2020, HK\$6.4 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 24 vehicle companies and persons, involving 66 motor vehicles. In 2020, the Department continued to reach out to traders to increase their awareness of legal liabilities. This, coupled with enhanced market research of vehicle prices, strong enforcement and intensive on-site vehicle inspection, has effectively combated first registration tax evasion and protected the rights of vehicle buyers.

On intellectual property rights protection, a total of 591 infringement cases were detected in 2020, representing a decrease of 33 per cent when compared with 2019. Among these cases, 76 involved Internet crime. The value of infringing goods seized decreased by 6 per cent to HK\$110 million. The Big Data Analytics System has been running well since its operation began in 2017. In 2020, the system detected 31 infringing cases, accounting for 41 per cent of the Internet infringing cases. These cases contributed to the seizure valued at HK\$1.7 million, which was around 49 per cent of the total seizure value of Internet infringing cases.

For financial investigation, the Department continued to take an active role in tracing crime proceeds and combating related money laundering activities. In 2020, nine money laundering cases were detected and 38 persons were arrested. Around HK\$34.8 million of assets was frozen by court orders. The predicate offences involved smuggling, drug trafficking, cross-boundary cash smuggling, unfair trade practices and infringement of intellectual property rights. The Department would keep on tracing any crime proceeds and source of funds of Customs-related offences to crack down on crime syndicates, forfeit their crime proceeds and arrest the mastermind behind them.

As regards supervision of money service operators, the Department prosecuted four cases of unlicensed money service operation in 2020, leading to a total fine of HK\$62,000. Among them, six defendants were convicted. Two of them were respectively sentenced to two months' imprisonment suspended for 24 months and two months' imprisonment suspended for 12 months with HK\$25,000 fined. The remaining four defendants were imposed with penalties ranging from a fine of HK\$4,000 to HK\$25,000.

Due to the COVID-19 epidemic, there was a significant drop of cross-boundary travellers in 2020, resulting in a decrease of declarations on Currency and Bearer

Negotiable Instruments (CBNIs) received by the Department. As of the end of December 2020, only 8 034 declarations involving HK\$593 billion of CBNIs were received. In 2020, 25 cases of breaching the declaration requirement under the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance were detected from the passenger channels. All the offenders made a fixed penalty payment of HK\$2,000 to discharge their legal liability. During the same period, four cases were detected from the cargo channels.

On smuggling of endangered species of animals and plants, 276 cases were detected and more than 279 300 kg of items was seized, representing a decrease of 58 per cent and 26 per cent respectively when compared with 2019. The Department will continue to strengthen intelligence exchange and co-operation with the Mainland and overseas law enforcement agencies to combat smuggling at source.

On consumer protection, the Department in 2020 prosecuted 14 cases related to short weighing, three related to toys and children's products and 13 related to general consumer goods. For cases related to unfair trade practices, 142 enforcement cases were effected, 74 successful prosecutions were recorded and warning letters were issued in three cases. On fitness and beauty industries which draw public concern, in addition to stepping up enforcement action, the Department held seminars and meetings for the relevant industries over the years to disseminate messages on fair trading. To combat unfair trade practices for protecting consumers, Customs officers patrolled at popular spots of tourist shopping areas on festive occasions. To combat violations by traders, the Department has deployed Quick Response Teams to handle and follow up promptly on complaints related to the Trade Descriptions Ordinance lodged by visitors who stay only for a short while in the territory. During the year, Quick Response Teams were summoned on 12 occasions to handle urgent complaints. In the fight against the epidemic, the Department has started a large-scale territory-wide special operation code-named "Guardian" on 27 January 2020 to conduct spot checks, test purchases and inspections in various districts on surgical masks and other anti-epidemic products for sale in the market to ensure that these products complied with the Trade Descriptions Ordinance and the Consumer Goods Safety Ordinance. The operation has continued and achieved fruitful results.

The number of enterprises accredited as Authorized Economic Operators increased to 67 in 2020. Mutual Recognition Arrangement was signed with Mexico in the year, adding up to a total of 12 following those with the customs administration of the Mainland, India, Korea, Singapore, Thailand, Malaysia, Japan, Australia, New Zealand, Israel and Canada. In addition, the Free Trade Agreement Transshipment Facilitation

Scheme launched at the end of 2015 was well received with 25 100 applications involving goods valued at US\$1.92 billion and an estimated tariff reduction of around US\$130 million by the end of 2020.

Under the Single E-lock Scheme (SELS) which started in March 2016 for speedy cargo clearance purposes, the Department's Intermodal Transshipment Facilitation Scheme is interconnected with the Speedy Customs Clearance of the customs administrations of Guangdong Province. In 2020, the clearance points in Guangdong Province has increased from 52 to 63 while the clearance points in Hong Kong has also increased from 12 to 13. The new clearance point at the Hong Kong International Airport Air Mail Centre signifies SELS's coverage from general cargo to postal items passing through Hong Kong. With the extension of the clearance points network, SELS now covers 76 clearance points in both Hong Kong and the Mainland and provides the trade with 819 cross-boundary route options.

Looking ahead, the Department will continue to uphold the century-old tradition of serving with "commitment and excellence" and play its multiple roles as a law enforcer, service provider, trade facilitator and economic development promoter effectively.

Senior Management of the Customs and Excise Department in 2020



NG Kit-ching (Ms)

Assistant Commissioner
(Boundary and Ports)

LAI Lau-pak

Assistant Commissioner
(Administration and
Human Resource
Development)

HO Pui-shan (Ms)

Deputy Commissioner

TANG Yi-hoi

Commissioner

TAM Yat-keung

Assistant Commissioner
(Excise and Strategic
Support)

CHAN Tsz-tat

Assistant Commissioner
(Intelligence and
Investigation)

LI Man-kai

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 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.



The Customs Headquarters Building in North Point

2. Organization of the Department

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

- Administration and Human Resource Development Branch
- Boundary and Ports Branch
- Excise and Strategic Support Branch
- Intelligence and Investigation Branch
- 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, investigation of public complaints and integrity management. These services are provided by 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, the Complaints Investigation Group and the Integrity Management 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 Cross-boundary Bridge 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

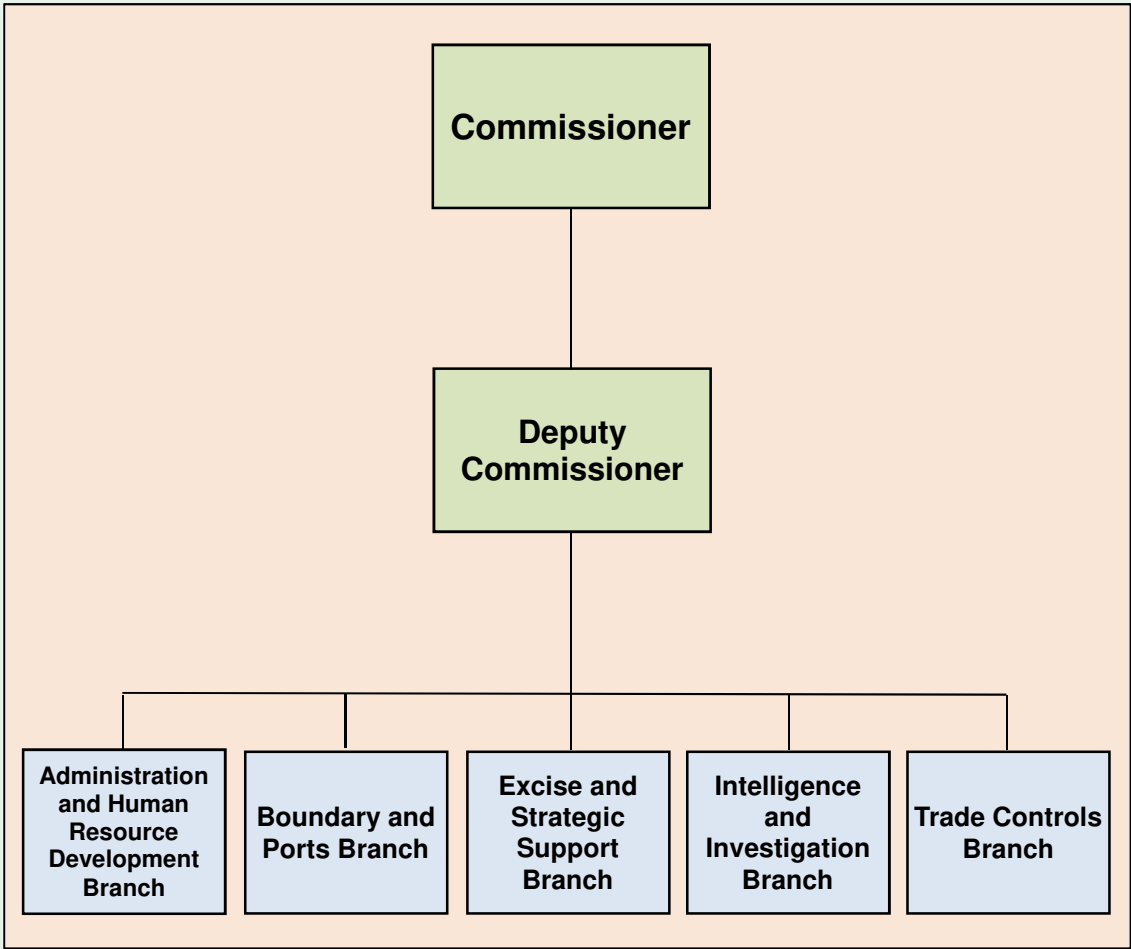
Office of Information Technology, the Office of Trade Single Window Operation and the Information Unit.

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 Crimes 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 Quality Management and the Internal Audit Division.

At the end of 2020, the Department had an establishment of 7 403 posts. Of these, nine were directorate posts, 6 181 were posts of the C&E Service, 534 were posts of the Trade Controls Officer Grade and 679 belonged to various General and Common Grades.



Organization Chart of Customs and Excise Department

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

The Department detected 175 unmanifested cargo cases in 2020, a decrease of 14 per cent when compared with 2019. Among the cases, 152 of them involved items smuggled between Hong Kong and the Mainland, including 99 by sea and 53 by land. 284 persons were arrested and the seizures amounted to HK\$808 million, representing respective increases of 30 per cent and 70 per cent when compared with 2019.

Smuggling of general merchandise between Hong Kong and the Mainland is a matter of concern for both sides. Commodities including mobile phones and accessories, digital cameras and accessories, computers and accessories, dried seafood and frozen meat are 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. One of the common concealment methods is the use of void spaces in cross-boundary conveyances to hide small and high-value merchandise such as diamonds, gold slabs and mobile phones. Smugglers also send high-value merchandise into the Mainland by high-powered speedboats moving at breakneck speeds, exploiting the long coast line of Hong Kong and frequently changing loading places to evade detection. Some smuggling syndicates resort to using containerized sea cargo to smuggle hot items to the Mainland.



Mobile phones and notebook computers seized inside the void spaces of a cross-boundary container truck

Smugglers also employ large number of barges/fishing vessels to convey frozen meat to the western waters. The goods are then transferred to the speedboats or cargo vessels which head towards the Mainland waters.



Frozen meats seized from a barge in an operation against sea smuggling

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 prohibits the unlicensed export of powdered formula for infants and children under 36 months. People 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 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 the Mainland Customs for joint operations if necessary to detect the illegal export of powdered formula from Hong Kong. In 2020, a total of about 25 606 kg of powdered formula was seized.

Dutiable Commodities

Illicit Cigarettes

Interception of cigarette smuggling remains a high priority task for the Department. The COVID-19 epidemic has great impact on the operations of boundary control points and it is observed that cigarettes are now mainly smuggled into Hong Kong by sea in large quantities instead of using the “ants moving home” tactic through land boundary control points. In addition to risk-profiling and routine checking, intelligence exchange and parallel operations with the Mainland and overseas Customs counterparts have proven to be effective measures to suppress smuggling activities. In 2020, a total of 110 million sticks of smuggled cigarettes were seized, with the majority found from seaborne containers.



Illicit cigarettes were found in seaborne containers.

Illicit Fuel

Rigorous enforcement through increased checks on incoming vehicles and vessels has contained the problem of illicit fuel smuggling from the Mainland. In 2020, four importation cases, three by land and one by sea, were detected, with 1 600 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. The Department actively reports suspicious shipments, contributing to some 55.2 per cent of the notifications issued under the Project thus far. Since the launch of the Project in August 2004, 107 containers, containing 683.24 million sticks of cigarettes and 8 178 kg of manufactured tobacco in total, were seized as a result of information provided by the Department.

Dangerous Drugs

Cannabis, cocaine, heroin, ketamine and methamphetamine are popular dangerous drugs smuggled into Hong Kong. In 2020, the Department detected 1 111 cases with 3 470 kg of assorted drugs (not including khat) seized. Drug syndicates heavily relied on cargo conduit as well as postal and express courier channels to smuggle drugs into Hong Kong under the COVID-19 epidemic amid the tightening of immigration restrictions and quarantine measures implemented globally in 2020. To combat cross-boundary drug trafficking activities, the Department will continue to take rigorous enforcement actions, step up inspection and deploy Customs detector dogs to various control points.

Precious Metal

Rigorous enforcement operations against smuggling of precious metal on incoming vehicles at land boundary control points were conducted. Syndicates smuggled precious metals mainly by body packing or concealing them inside the driving compartment. In 2020, eight cases were detected. A total of 75 kg of precious metals worth HK\$36 million was seized.

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 2020, 75 cases of firearms and weapons were detected at the Airport with one person arrested. The total seizure value was HK\$1.69 million.

At land boundary control points, one case was detected in 2020 and the total seizure value was about HK\$1,400.

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 mobile phones and accessories, leather goods, footwear, watches, clothing 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 2020, 265 and four 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 the detection of a total of 64 cases with seizures valued at HK\$9.3 million.

At the Hong Kong International Airport (HKIA), 10 IPR cases were detected with seizures valued at HK\$2.4 million. At land boundary control points, 30 importation cases were detected with 37 persons arrested and seizures valued at HK\$24 million. Besides, 15 cases of IPR infringing goods were detected from shipments via sea mode and the seizure value was HK\$23.3 million.

Electrical and Electronic Goods

Smuggling of high-value electrical and electronic goods to the Mainland continued in 2020. The value of electrical and electronic goods seized increased by 12 per cent in 2020 to HK\$61 million.

Meat and Poultry

To safeguard public health, joint operations are regularly mounted by the Department with the Food and Environmental Hygiene Department (FEHD) at land boundary and cross-boundary bridge control points. In 2020, 686 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 2020, Customs officers detected 276 cases of endangered species of animals and plants. The items involved wood logs, ginseng, ivory tusks, and pangolin and its scales, etc.

In 2020, Customs officers detected 27 sea smuggling cases of endangered species of animals and plants. Among the seizures, Customs detected 197 000 kg of controlled wood logs with a market value of nearly HK\$16 million. Other than controlled wood logs, Customs officers also seized 46 000 kg of ginseng valued at nearly HK\$40 million. The total seizure value of endangered species in sea smuggling cases was about HK\$79 million.



Controlled wood logs and ginseng seized

Marked Oil

Since May 2005, the Department has launched a scheme to suppress sea 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 2020, 10 cases of smuggling of marked oil were detected with 71 persons arrested and the total seizure value amounted to HK\$0.4 million.

In 2020, nine joint operations with the 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 logistics 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 land boundary control points.

Intermodal Transshipment Facilitation Scheme (ITFS)

The Department is constantly developing initiatives to increase the speed and lower the cost of movement of cargoes across the boundary with the Mainland to enhance the competitiveness of businesses in Hong Kong. To facilitate the movement of transshipment cargoes, the Department officially launched the 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 the 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 E-locks and tracking the movement of goods vehicles to ensure the security of cargoes while they are being conveyed within the Hong Kong territory.



Customs officer checking E-lock of a cross-boundary truck

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 the ITFS with the Mainland Customs’ Speedy Customs Clearance System. Under the 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 cargoes which have undergone inspection with no irregularity identified, the customs administration concerned will switch on the green light on the e-lock for reference by the other party. Inspection of the same shipment by both customs administrations at the busy land boundary control point would be reduced, resulting in savings in time and cost for the trade. With the commissioning of cargo inspection facilities at the Heung Yuen Wai Boundary Control Point (HYWBCP) in August 2020, vehicles participating in SELS can travel to and from eastern Shenzhen, Huizhou, Heyuan, Jieyang, Meizhou and Shantou via the HYWBCP and the “Eastern Corridor” in Guangdong. In 2020, the SELS covers 63 clearance points in the Mainland, including 50 clearance points located in all of the nine Mainland municipalities within the Greater Bay Area and 13 clearance points in other parts of Guangdong. Together with the 13 clearance points in Hong Kong, the SELS provides more than 800 routes to the participants to cope with the rapid development of the cross-boundary commerce.



The SELS covers 50 clearance points located in all of the nine Mainland municipalities within the Greater Bay Area and 13 clearance points in other parts of Guangdong.

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, the Hong Kong Customs launched the 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 62 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.

¹ The 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), Afghanistan, Angola, Australia, Bangladesh, Benin, Burkina Faso, Burundi, Central African Republic, Chad, Chile, Comoros, Congo, Costa Rica, Djibouti, East Timor, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Georgia, Guinea, Guinea-Bissau, Iceland, India, Korea, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nepal, New Zealand, Niger, Pakistan, Peru, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Somalia, South Sudan, Sri Lanka, Sudan, Switzerland, Tanzania, Togo, Uganda, Vanuatu, Yemen and Zambia.

The Department has been collaborating progressively with the Mainland and overseas counterparts in a bid to extend the coverage of the FTA Scheme that facilitates more qualified cargoes transhipped through Hong Kong to enjoy preferential tariff under the FTAs signed between the Mainland and other economies. As at 31 December 2020, the scope of service of the FTA Scheme has been extended to 63 economies, 52 of which are along the economic corridors of the Belt and Road Initiative. In 2020, around 61.2 per cent of applications processed under the FTA Scheme were related to economies along the corridors, representing a total trade value of US\$130 million of cargoes transhipped through Hong Kong and tariff savings of around US\$9.3 million.

With effect from 24 June 2020, e-applications for the “Certificate of Non-manipulation” under the FTA Scheme can be made on the Trade Single Window (TSW) platform. Through the TSW platform, traders can submit FTA applications online, check the processing status, pay fees and receive an e-copy of the “Certificate of Non-manipulation”. As at 31 December 2020, around 48.4 per cent of applications were received via TSW since its launch for the FTA Scheme. To facilitate the smooth implementation of TSW for the FTA Scheme, the traditional method of FTA application via email still remains an option.

As a measure to support businesses in view of the impact of COVID-19, the service fees payable (including the documentary processing fee and Customs supervision service fee) under the FTA Scheme are waived for one year with effect from 1 October 2020.s

The FTA Scheme has been running smoothly since its launch in 2015. In 2020, Hong Kong Customs received 4 805 applications for cargoes with a total trade value of US\$329 million and tariff savings of around US\$20 million. The FTA Scheme allows goods passing through Hong Kong to enjoy preferential tariff, strengthens Hong 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 FTA Scheme so that it could be extended to cover more transshipment cargoes heading for other economies having signed an FTA with the Mainland.



Customs officers processing FTA consignments

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 the ports in Beijing, Shanghai, Tianjin, Shenzhen and Guangzhou Customs Districts. In November 2017, the Scheme was further extended to all the ports in all 42 Customs Districts of the Mainland. Hong Kong’s registered wine exporters can submit wine consignment information online in advance to enjoy immediate customs clearance upon their consignments’ arrival at Mainland ports.

To seize the new opportunities arising from the development of the Greater Bay Area, the Department will continue to strengthen the promotion of the Scheme in the relevant Customs Districts, and work closely with the Mainland Customs for further enhancement of the facilitation measures.

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 2020, the Department has accredited 67 AEOs (including 12 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. From 2013 to 2019, the Department had signed MRAs with the General Administration of Customs and other economies including 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, the Customs Administration of Japan, the Australian Border Force, the New Zealand Customs Service, the Israel Tax Authority and the Canada Border General Services Agency. In 2020, despite the challenges from the epidemic, the Department endeavoured to sign the 12th MRA with the Ministry of Finance and Public Credit of the United Mexican States in December. Discussions with customs counterparts of Indonesia, Bahrain, Vietnam, Turkey 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.*



The Department ratified the 12th AEO MRA with the Ministry of Finance and Public Credit of the United Mexican States in December 2020.

Extension of Trade Benefits to HKAEOs

To further strengthen Customs role as an economic development promoter, benefits for Hong Kong AEOs have been enhanced. With effect from 1 August 2020, applications for transshipment consignments of Hong Kong AEOs under the Free Trade Agreement Transshipment Facilitation (FTA) Scheme have been granted prioritised processing time, i.e. within one working day upon submission of the required documents. The benefits will help Hong Kong AEOs save operating cost and facilitate their business development, which will in turn strengthen Hong Kong's position as a regional logistics hub and invigorate development of the logistics industry.



Benefits for AEOs have been extended to the FTA Scheme since August 2020.

Meetings with Other Customs Administrations

The Department has all along maintained close co-operation with other customs administrations for effective implementation of the AEO MRAs. On 9 April 2020, a video conference was conducted with the General Administration of Customs to review the latest development of the AEO Programme on both sides and to map out strategies to further enhance the co-operation and effectiveness of the AEO Programmes under the MRA between the Mainland and Hong Kong.

Besides, following the signing of the MRA Action Plan for the AEO Programme with the Indonesian Customs in June 2019, the Department held several meetings with the Consul of Customs of the Republic of Indonesia in Hong Kong to explore feasible means for speeding up the development of the AEO MRA between the two sides under the epidemic situation.



A video conference with the General Administration of Customs was held on 9 April 2020 to further enhance co-operation under the AEO MRA between the Mainland and Hong Kong.

Publicity Goes Virtual during the Epidemic

The outbreak of COVID-19 in early 2020 has disrupted the routines of the Department, including the conventional face-to-face activities to promote the Hong Kong AEO Programme. To continue the publicity effort while respecting the social distancing measures, the Department has turned to virtual platforms to promote the Hong Kong AEO Programme. In collaboration with the Hong Kong Trade Development Council and other trade associations, the Department delivered 3 livestreaming webinars between June and November 2020 to a total of some 1 000 local traders, explaining how the Hong Kong AEO Programme could assist them in seizing regional and global business opportunities. Interviews with the top management of local AEO companies were produced as “AEO Blogger” and released on the Department’s YouTube Channel in March, June and November 2020 respectively.



The Department has turned to virtual platforms to promote the Hong Kong AEO Programme since the outbreak of the epidemic.

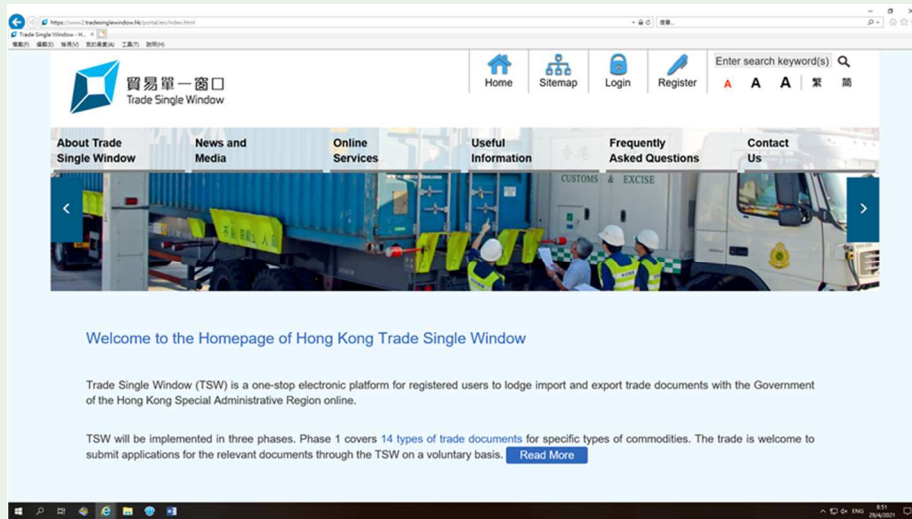
Development of Trade Single Window

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 (TSW) in Hong Kong for one-stop lodging of 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 the Department and other participating Government agencies.

The TSW is implemented in three phases. Phase 1 was launched on 28 December 2018 to provide a voluntary e-option for the trade to lodge the relevant types of import and export trade documents. To tie in with the launch of Phase 1 of the TSW, the Office of Trade Single Window Operation was established to oversee the system's operation and provide support to TSW users through training, help-desk and hotline services.

With the ongoing development of the TSW, 14 types of trade documents could now be applied on the TSW platform and the system take-up rate is on the rise. As the operator of the TSW, the Department will fully support the PMO and other participating Government agencies for the implementation of Phase 1 and the ongoing development of future phases.

Amid the epidemic, the Department needs to grapple with the challenge to sustain publicity and provide training to the trade. To this end, the Department has adopted adaptive strategy by leveraging technology to ensure that the trading community keeps up with the latest development of the TSW and that the engaging process is carried out in a safe and effective environment.



Trade Single Window website



Officers conducting an e-seminar and a video conference meeting with traders during the epidemic

5. Narcotics Interdiction

Anti-narcotics Strategy

One of the major responsibilities of the Department 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 is imposed at all control points to prevent the inflow of drugs and their transit through Hong Kong, the Customs Drug Investigation Bureau 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, the Department strives to inhibit the illicit diversion of such chemicals at the global level through an international liaison network.

Enforcement

Frontline Customs officers take robust actions against illicit drugs by a combined use 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, the officers also target smuggling of drugs by express parcels and mails, and drug traffickers who try to sneak in the drugs through control points by wrapping them around the body, stuffing inside their body cavities or concealing them in false compartments of baggage. The high level of professionalism of the officers has resulted in encouraging findings.

Cocaine originating from South America is gaining popularity worldwide and has always been a high priority on the Department's anti-drug programme. In 2020, the Department seized 907 kg of cocaine and arrested 93 persons, representing respective increase of 45 per cent and decrease of 36 per cent when compared with 2019. Among the seizures, 637 kg was intercepted at the HKIA with 73 persons arrested.

Methamphetamine is a popular drug among young people. A total of 806.7 kg of the drug was seized and 37 persons were arrested in 2020. Among the seizures, 500 kg was found hidden in 251 cement-loaded bags in a seaborne transshipment container arriving from Vietnam in transit to Australia.



500 kg of methamphetamine with an estimated market value of about HK\$300 million was seized.



Close-up of methamphetamine with package cut-opened

In 2020, the Department seized 404.5 kg of cannabis and arrested 42 persons. Among the seizures, 395.3 kg was intercepted at the HKIA. Almost all the cannabis was seized from air cargoes and mail centres.

Ketamine is another popular drug among young people. The Department arrested 41 persons and seized 283.9 kg of the drug in 2020. The amount of seizure decreased by 19 per cent when compared with 2019. In 2020, 259.5 kg was intercepted with 24 persons arrested at the HKIA. Of these 24 arrestees, three 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 2020, 142.5 kg of heroin was seized, mostly at the HKIA, and 12 persons were arrested.

In 2020, the Department seized 25.7 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 Australia, the United Kingdom and the United States.

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 2020, as a result of co-operation with other jurisdictions, 86 kg of drugs and two tonnes of precursor chemicals (controlled in the Mainland) were seized and 21 persons were arrested outside Hong Kong. Of significance, a joint operation was mounted by the Shenzhen Customs Anti-Smuggling Bureau, the Guangzhou Municipal Public Security Bureau and the Department under the co-operation mechanism of “Three-Place-Six-Party”. A total of 84 kg of methamphetamine was seized in Guangzhou and 13 persons were arrested, including three Hong Kong residents. As a result of follow up investigation, the Mainland counterparts further seized about two tonnes of precursor chemicals controlled in the Mainland, and arrested one person in Foshan.

Cross Boundary Drug Trafficking

The Department also works closely with the Shenzhen Customs to exchange intelligence and mount regular parallel operations at boundary control points on both sides to deter cross-boundary drug abuse.

There was a decrease in the number of persons aged below 21 arrested in connection with drug offences at land boundary control points. In 2020, the number of arrests was three while that in 2019 was seven. The decrease of arrests might be due to the drastic decrease of cross-boundary passengers under the COVID-19 epidemic. The Department will continue to step up enforcement action against cross-boundary drug trafficking and increase public awareness of the severe penalties of drug offences and harmful effects of drug abuse.

Control of Chemicals

The Department maintains a licensing system under the Control of Chemicals Ordinance (CCO) to regulate the trade of 32 chemicals commonly used for the illicit manufacture of narcotic drugs and psychotropic substances. (One more substance will come under the control of the CCO in May 2021.)

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 importing countries or territories to confirm the legitimacy of the shipment before export approval is granted. 247 PENs were issued to 19 countries in 2020.

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 Hong Kong SAR Office of US DEA 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 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 62 piracy cases and arrested 70 persons in 2020. Pirated optical discs (PODs) valued at HK\$290,000 were seized.

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 retail outlets selling PODs have almost been wiped out in recent years.



Infringing Blu-ray discs and DVDs seized in operation

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 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, under which manufacturers of stampers (the master disc) in Hong Kong are required to obtain a licence from the Department. In 2020, Customs officers conducted 12 inspections of licensed optical disc and stamper factories.

Actions against Internet Crime

To cope with the increasing trend of Internet crimes, the Department established the “Anti-Internet-Piracy Team” (AIPT), which was further expanded in 2014 with more than 40 investigators dedicated to fighting against Internet crimes. Up to December 2020, the AIPT detected 1 811 Internet cases, arrested 2 147 persons and seized infringing articles and computer equipment worth HK\$34.9 million. Over the years, the Department has worked with University of Hong Kong to develop different monitoring systems for online surveillance of illegal activities to cope with 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 on 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.



The Electronic Crime Investigation Centre (ECIC)

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 117 circumvention cases and arrested 164 persons.



Game consoles loaded with suspected pirated electronic games and suspected counterfeit electronic game memory cards seized in a special operation codenamed "Arcade"

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 2020, the Department detected 577 forged trademark cases under the Trade Descriptions Ordinance. A total of 276 persons were arrested. With a value of HK\$109 million, the seized goods were mainly electrical and electronic products, leather goods, footwear, watches, parts and accessories, clothing and accessories, accounting for about 83 per cent of the total value of seizures.

Actions against Counterfeit Wine

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 counterfeit wine, the Department maintains a close partnership with the wine industries and enforcement agencies of major wine producing countries. Besides, a dedicated team to combat counterfeit wine was set up in August 2008 to carry out investigations and enforcement actions against cases of counterfeit wine.

Actions against Counterfeit Medicines

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 co-operates 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 2020, a total of 159 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 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 19 IPR cases (11 copyright cases and eight counterfeit cases), with some HK\$140.4 million worth of crime proceeds/assets restrained. This enforcement approach has effectively clamped down on syndicates engaged in copyright piracy and trademark counterfeiting activities.

Cross-boundary Enforcement Co-operation

As pledged in the first Guangdong-Hong Kong-Macao Customs Intellectual Property Enforcement Cooperation Meeting held in Hong Kong on 29 July 2019, the Customs administrations of Guangdong, Macao and Hong Kong were committed to further enhancing mutual cooperation and strengthening the partnership in combating cross-boundary infringing activities through regular cooperation and information exchange. In 2020, three tripartite joint operations were conducted. As a result, 64 cases were effected with the total seizure of 59,000 nos. of counterfeit goods, valued at 9.3 million.

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 infringing activities, examination of seized goods to authenticate IPR, provision of testimony in court and training for Customs officers to enhance the skills 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 July and November 2020, the ECIC delivered two sessions of training to Macao Customs on cyber investigation skills. The course content included cyber investigation skills against IPR infringing activities, collection of digital evidence, and use of the Big Data Analytics System for automatic risk profiling and targeting of infringers with hands on exercises. The training also provided an excellent opportunity for both parties to share knowledge and exchange experience in the application of new cyber technologies to combat online IPR crimes.

In 2020, the Department achieved good progress in its partnership with the IPR sector and collaboration was sustained in the following areas:

- The Intellectual Property Rights Protection Alliance (IPRPA) established by the Department and the industry in March 2004 provides a platform for both parties to enhance strategic partnership and strengthen intelligence exchange. By the end of 2020, 75 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. In 2020, the Department and the IPRPA co-organized an event of distributing anti-epidemic care packages to members of a local non-governmental charitable organization, with an aim to promote public awareness on the protection of IPR and to support underprivileged students in coping with the challenges brought by COVID-19.



Distribution of anti-epidemic care packages to students at a non-governmental organization

- 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 infringing 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 infringing acts. Since the implementation of the scheme, the Department has activated the “Fast Action Scheme” at 133 major exhibitions and trade fairs, leading to the detection of 190 infringement cases and the arrest of 227 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 collaborate with the industry in the combat against offences involving counterfeit wine and false information on the place of origin. The Department 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 used in 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 the Department with information that leads to the seizure of infringing goods. The three existing reward schemes are:

- Anti-piracy (except retail level) Reward Scheme – sponsored by the copyright 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 14 local youth uniformed groups (YUGs) and the IPR sector, the Department has run the “Youth Ambassador Against Internet Piracy Scheme” (YAS) since its 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.

Riding on the success of the YAS, the Department introduced a new youth programme “Customs YES” in December 2020 to extend the theme of its activities from IPR protection to all aspects of Customs work, with a view to encouraging the youths of Hong Kong to fully develop their potentials, enhance their communications with the Department, raise their awareness about the ordinances enforced by the Department and foster their positive values and sense of belonging towards society.

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 1 599 spot checks and 289 investigations in 2020 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 2020, prosecution was taken in 14 cases and warning letters were issued in 30 cases involving contravention of the Weights and Measures Ordinance.



To ascertain the weight of the test-purchased live Alaskan Crab with calibrated weighing equipment

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

The Department conducts spot checks and investigations to ensure that toys, children's products and consumer goods supplied in the market are reasonably safe and affixed with bilingual warning labels. In 2020, 3 327 spot checks and 300 investigations were conducted and 16 prosecution cases were concluded. Besides, the Department issued 44 Prohibition Notices prohibiting the supply of unsafe products, such as stuffed toy, bunk bed, chopsticks, squeeze toy, teether, toothbrush, children's safety harness, toy gun, laser pointer, hot water bottle, mask, plastic turner and lightening cream.

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 were organized for parents and teachers of nurseries, kindergartens, schools of mid-wifery, and maternal and child health centres in the past years to introduce them the safety legislation and alert them of the potential risks of unsafe 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 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 has taken stringent enforcement actions against unscrupulous traders employing unfair practices. In order to maximize enforcement effectiveness, the Department has 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 pays particular attention to repeated offenders and contraventions which significantly undermine consumer interests.

Enforcement

In 2020, the Department received 10 307 (7 740 on goods and 2 567 on services) unfair trade practices-related complaints, most of which involved foodstuff, medicine, regulated electronic products, health care products, travel and beauty services. The number of investigations completed was 4 427 (2 274 on goods and 2 153 on services), including 4 268 preliminary investigations, 94 of which led to prosecution and 22 concluded with administrative action.



Traditional Chinese Medicine in granular form seized in a false trade description case

Significant cases in different commercial sectors were detected, including aggressive commercial practices by fitness centres; false trade descriptions of service provided by renovation service providers and employment agencies; wrongly accepting payment of fees by employment agencies as well as money service operators, false

claim on grading of an antique coin by an auctioneer and the seller; wrongly accepting payment of toy figures by an online trader, etc. In 74 prosecution cases, 41 persons and 29 companies were convicted of unfair trade practices offences, with punishment including fines ranging between HK\$1,800 and HK\$40,000; imprisonment term ranging between three weeks and 14 months; Community Service Order ranging from 81 hours to 200 hours of work. In a few cases, the convicted persons were ordered to pay compensation to the victims for their financial loss resulting from the offences. A total of four warning letters and 29 advisory letters were issued to remind the traders concerned about their obligations to comply with the fair trading sections of the TDO.



Instruments used to distill liquor seized in a false trade description case

In 2020, the Department carried out 1 936 spot checks against retail shops. Patrol exercises were conducted at various trade fairs/exhibitions, shopping areas and shops registered with the Travel Industry Council of Hong Kong (TIC) during long holidays in past years. However, due to the outbreak of COVID-19 in 2020, most of the trade fairs/exhibitions were cancelled, the number of foreign visitors or tourists decreased substantially, coupling with the stepping up of social distancing measures leading to the reduction of trade activities, the number of spot checks conducted in 2020 was greatly reduced. The Department will closely observe the epidemic situation and trade activities with a view to implementing appropriate patrol exercises.

A special operation code-named "Tornado" was mounted from the end of 2018 to early 2020 against businesses deploying aggressive commercial practices in the course of sale to force customers to sign up for fitness club membership. As a result, 33 persons of six fitness centres were arrested. The total value of the fitness service contracts involved was at around HK\$2.5 million. The first successful trial was concluded in 2020. Six salespersons of two fitness centres were convicted and

sentenced to nine to 20 months' imprisonment, and ordered by the court to pay compensation of about HK\$270,000 in total to eight victims. The imprisonment term was the heaviest penalty imposed for cases of similar nature since the amendment of the TDO in 2013. Legal proceedings of other cases under the same operation are in progress.

Following the success of "Operation Tornado", another special operation code-named "Stormbreaker" was conducted between May and June 2020. As a result, five persons of two fitness centres were arrested. In one of the prosecution cases, the salesperson was sentenced to 13 months' imprisonment, which was the heaviest penalty for a single case of fitness service.



A press conference was held at the Customs Headquarters Building to announce the results of "Stormbreaker".

In June 2020, a director and a salesperson of a ginseng and dried seafood shop were convicted for engaging in aggressive commercial practices to coerce customers into purchasing Chinese medicine and were both sentenced to six months' imprisonment. This was the first-ever conviction case of a ginseng and dried seafood shop engaging in aggressive commercial practices and the penalty imposed was the heaviest for cases involving ginseng and dried seafood shop since the amendment of the TDO in 2013.

In June 2020, a money service operator was convicted and sentenced to 14 months' immediate imprisonment for wrongly accepting remittance payments amounted to HK\$3.23 million from 18 customers. This was the heaviest penalty imposed for cases involving wrongly accepting payment.

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 12 occasions to handle urgent complaints.

Customs started a large-scale territory-wide special operation code-named “Guardian” on 27 January 2020 to conduct spot checks, test purchases and inspections in various districts on surgical masks and other anti-epidemic products for sale in the market to ensure that these products complied with the TDO and the Consumer Goods Safety Ordinance (CGSO). The operation has been running for nearly a year. By the end of 2020, over 39 000 inspections were conducted at retail spots selling surgical masks and other anti-epidemic products. In total, 734 samples of surgical masks and 43 types of hand sanitizer were test-purchased for testing for safety compliance while 113 models of disinfectant alcohol were test-purchased for testing on their composition. During the period, a total of 37 cases were detected in which traders were suspected of violating the TDO and CGSO when supplying anti-epidemic products. A total of 88 persons involved were arrested, and 6 231 365 surgical masks, 317 bottles of disinfectant alcohol and 23 bottles of saline solution were seized with an estimated retail value amounted to over HK\$30 million.



Surgical masks and disinfectant alcohol seized during “Operation Guardian”



Customs officers conducting inspections at retail spots during “Operation Guardian”

Publicity and Education

To help traders understand the fair trading sections of the TDO and the consequences of non-compliance, 362 seminars/briefing sessions were organized for retailers, exhibitors, employees of the beauty/fitness industries, non-government organizations/associations, elderly centres and the public, etc. In view of the recent upsurge in complaints against the sales of personal protective equipment (PPE) about their unscrupulous trade practices, the Department took the initiative to invite the company management and practitioners of the PPE manufacturers and retailers, as well as the Hong Kong General Chamber of Pharmacy Limited for meetings. The purpose of the meetings was to encourage them to convey the important messages of complying with the TDO and upholding the integrity of the trade to their members/staff. Besides, pamphlets were distributed to the public, retail shops, exhibitors and tourists so as to draw their attention to the Amendment Ordinance.

To further enhance public and traders' awareness of false trade descriptions and unfair trade practices, the Department has produced a new promotional video to reveal different kinds of unfair trade practices in various industries, so as to promote fair trading as well as compliance with the TDO.

To raise public awareness of consumer rights and to remind retailers of their legal obligations, the Department launched publicity campaigns by distributing pamphlets with salient points of the TDO to local consumers and visitors in 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.

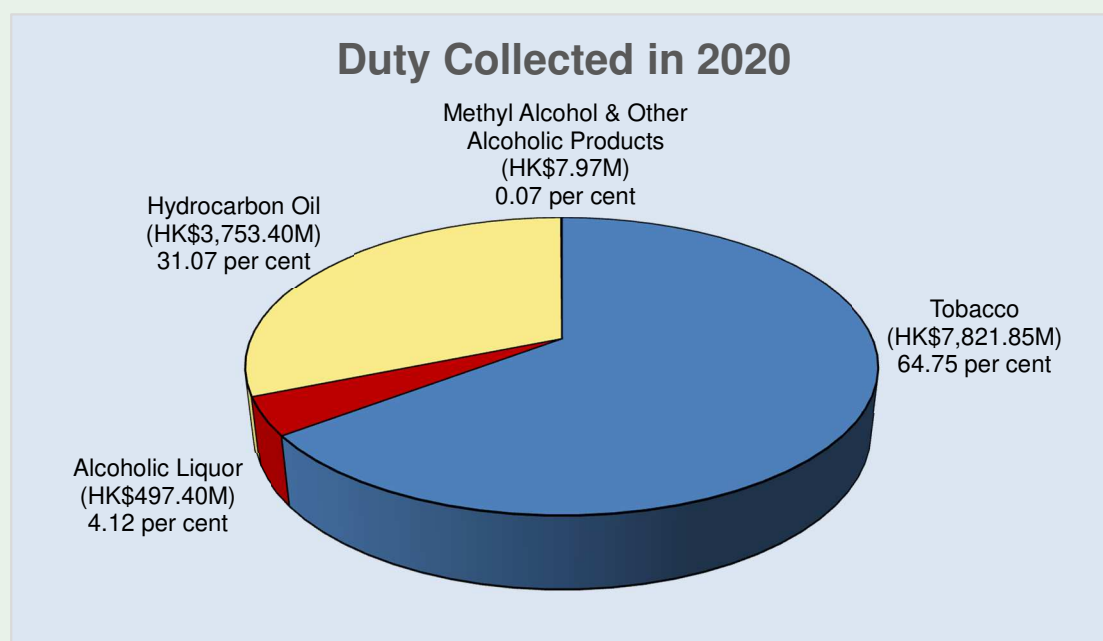


Meeting with the Cosmetic & Perfumery Association of Hong Kong on 18 November 2020

8. Revenue Collection and Protection

Revenue

In 2020, excise duties collected amounted to HK\$12.08 billion, of which 64.75 per cent was from tobacco, 31.07 per cent from hydrocarbon oil, 4.12 per cent from alcoholic liquor and 0.07 per cent from methyl alcohol and other alcoholic products. The revenue collected in 2020 increased by 11.25 per cent when compared with 2019. The percentage distribution of duty collected by commodity is shown in the diagram below.



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 the 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 the OBS, from 38 in April 2003 to 87 in December 2020.

Vehicle Valuation

Ever since the Motor Vehicles (First Registration Tax) Ordinance (the Ordinance) was amended in 1994 to change the taxable value of vehicles as the amount to be calculated on the basis of retail price, 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 Motor Vehicles First Registration Tax (FRT) System. Over the years, the number of vehicles imported into Hong Kong for use on roads remained high. With strengthened capability for value assessment and on-site inspection, progress has been made in tackling evasion of FRT. In 2020, the number of vehicles first registered by the Transport Department was 53 554 and the amount of FRT collected was HK\$6.4 billion, a decrease of 22.5 per cent over last year.

In 2020, a total of 24 vehicle companies and persons were prosecuted for contravening the Ordinance, including sole distributors, parallel-importers and individuals, and 66 vehicles were involved. Compared with 2019 where 30 vehicle companies and persons were prosecuted and 66 vehicles were involved, the decrease was largely attributed to a drop in the number of cases involving late submission of import return, the offence of which is considered as technical in nature. Generally speaking, 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 2020, the Department continued to disseminate key messages to the public through electronic platforms (i.e. mobile app “HK Car Tax” and the FRT system) with a view to enhancing public awareness of the statutory requirements under the Ordinance. Through these measures, coupled with enhanced market research of vehicle prices, strong enforcement actions and intensive on-site vehicle inspections, the Department has effectively combated FRT evasion and protected the rights of vehicle buyers.

Illicit Fuel

Illicit fuel activities continue to diminish. For diesel oil, 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. For motor spirit, 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 motor spirit stations are being operated in a sporadic manner in remote areas of the New Territories. In 2020, eight cases were detected with 12 000 litres of illicit motor spirit (excluding export cases) seized.



Illicit motor spirit seized in an illicit fuel station

Illicit Cigarettes

The Department detected 3 159 illicit cigarette cases with seizures of 205 million sticks of cigarettes and arrests of 2 498 persons in 2020. The total value of the seized illicit cigarettes was HK\$563 million and the duty potential was HK\$391 million. As compared with the preceding year, the numbers of cases and arrests decreased by 82 per cent and 86 per cent respectively. Among the seizures, about 193 million sticks were related to local illicit cigarette activities, representing an increase of about 257 per cent as compared with 2019, as a result of the strategy of stepping up enforcement at source.



Illicit cigarettes seized in operations

Telephone ordering has taken over street peddling to become the predominant mode of illicit cigarette distribution. Two dedicated task units were established in 2012 and 2013 respectively to collect and analyze intelligence, and mount special operations to suppress such activities. The outcome achieved was impressive, with 288 cases involving 2.5 million sticks of illicit cigarettes seized and 292 persons arrested in 2020.



Delivery vehicles for telephone ordering of illicit cigarettes were 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 of factories are carried out to ensure their continuous compliance with registration conditions, and consignment checks are done on goods covered by CO applications. In this connection, the Department conducted 731 factory inspections and consignment checks in 2020.

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 collaborates with the Trade and Industry Department in rigorously enforcing 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 2020, the Department conducted 1 178 import licence checks, 1 928 export licence checks and 618 disposal checks.

During 2020, the Department also mounted several special operations and stepped up enforcement by conducting blitz checks against unlicensed shipments of strategic commodities destined for sanctioned countries and other areas. As a result, three cases were detected with a total of 1 891 pieces of strategic commodities intercepted. In the year, the Department investigated 243 cases and prosecuted 21 persons/companies, leading to a total fine of HK\$0.29 million and the forfeiture of goods with a value of HK\$0.7 million. The value of the goods involved in the prosecution cases was HK\$5.7 million.

Outreach Training

The Department conducted one outreach training session for the frontline staff of 20 shipping 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. With effect from 1 August 2018, the charge for each import and export declaration is capped at HK\$200. For exports of Hong Kong manufactured clothing items (including footwear) specified in 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 18.67 million declarations and collected HK\$470 million import and export declaration charges / clothing industry training levies / late penalties in 2020. Short-paid declaration charges / clothing industry training levies recovered and late/administrative penalties imposed amounted to HK\$9.7 million. The Department also received around 6.1 million cargo manifests in respect of different modes of transport, including air, ocean, rail and road.

Educational Seminars

In order to reduce the number of late and non-lodgment cases, the Department has organized regular educational seminars since August 2008 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 three educational seminars for 61 traders and carriers/forwarders in 2020. 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.



An 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 2020, the Department received 28 requests involving under-valuation of goods.

Closer Economic Partnership Arrangement (CEPA) - Trade in Goods

Since the implementation of CEPA on 1 January 2004, all products of Hong Kong that fulfill the mutually agreed CEPA Rules of Origin enjoy zero tariff treatment upon importation into the Mainland if they are covered by a Certificate of Hong Kong Origin (CEPA) (CO(CEPA)). To further open up the Mainland market to Hong Kong and advocate the enhancement of CEPA, the Ministry of Commerce and the HKSAR Government signed a new Agreement on Trade in Goods on 14 December 2018. The new Agreement enhances CEPA in line with the standard of modern and comprehensive free trade agreements, and fully implements zero tariff on imported goods of Hong Kong origin through the introduction of a general rule of origin. The new Agreement implemented on 1 January 2019 affirms that all goods of Hong Kong origin can enjoy zero tariff preference upon importation into the Mainland. In 2020, a total of 16 898 applications for CO(CEPA) were received. Of these applications, 16 588 CO(CEPA)s with a total value of HK\$10 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 2 012 applications for CO(CEPA) and examined 33 CEPA consignments at various cargo exit points in 2020.

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 fueling armed conflicts, activities of rebel movements and illicit proliferation of armament. The Mainland and some 81 economies 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 interests as a trading hub of rough 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 442 consignment inspections and three investigations on rough diamonds during the year.

Reserved Commodities Control

Through the enforcement of the Reserved Commodities Ordinance, the Department monitors the import and export of rice and ensures a stable supply of the commodity in Hong Kong. The Department conducted 3 711 inspections, investigated 38 cases, and prosecuted 15 persons/companies, resulting in a total fine of HK\$0.06 million in 2020. In these cases, the value of rice and mixed grains involved was HK\$0.82 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 134 inspections/verifications and one investigation in 2020. The value of the goods involved in the investigation case amounted to HK\$0.05 million.

Trade Mediation

To protect Hong Kong's trading reputation, the Department provides free mediation service to settle trade disputes lodged by overseas trading firms against local companies. In 2020, the Department mediated in 18 cases and four 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. The ordinance was amended and retitled as the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO), which became effective on 1 March 2018. Under the 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 money service operations (UMSOs) and other licence-related offences.

To further strengthen the enforcement capability against UMSOs, the Money Service Investigation Division (MSID) was established in September 2020 under the Money Service Supervision Bureau.

As at 31 December 2020, there were 966 licensees on the Register of Money Service Operators (MSOs). In 2020, by way of a risk-based approach, 180 licensed MSOs had been selected for compliance inspection. Rigorous enforcement actions were also taken against those non-compliant MSOs with 74 cases effected. Meanwhile, the Department continued to deploy a broader range of disciplinary sanctions and remedial actions to deal with non-compliant licensees. Regarding the 17 disciplinary cases initiated in 2019, a total of 16 disciplinary cases were completed in 2020 with the imposition of a range of civil sanctions proportionate and dissuasive to deal with breaches of various degrees, including all the sanctioning tools, i.e. public reprimand, pecuniary penalty and taking of remedial actions. There were 10 cases initiated for disciplinary actions in 2020. During the year, the Department prosecuted four cases of unlicensed operation of money service leading to a total fine of HK\$62,000. A total of six defendants were convicted, two of whom were respectively sentenced to two months' imprisonment suspended for 24 months and two months' imprisonment suspended for 12 months with HK\$25,000 fined. The other four defendants were imposed with penalties ranging from a fine of HK\$4,000 to HK\$25,000.

In September 2019, the Financial Action Task Force (FATF) published the Mutual Evaluation Report of Hong Kong, commending Hong Kong's efforts in combating money laundering and terrorist financing. The report, which assessed the compliance and effectiveness of Hong Kong's anti-money laundering and counter-terrorist financing (AML/CTF) regime against the international standards, recognized that Hong Kong had a strong legal foundation and effective system for combating money laundering and terrorist financing. Hong Kong's AML/CTF regime was assessed to be compliant and effective overall, making it the first jurisdiction in the Asia-Pacific region to have achieved an overall compliant result in the fourth round of FATF evaluation. To follow up the recommendations made in the report, the Department will continue to employ and enhance a broad range of licensing control, supervisory and enforcement measures to facilitate and ensure the effective implementation of policies, procedures and controls for compliance with AML/CTF requirements by MSOs.

The Department will continue to compile relevant promotional materials and organize seminars, small group workshops, thematic outreach programmes and training courses for enhancing MSOs' knowledge of Anti-Money Laundering and Counter-Financing of Terrorism and arousing their awareness of compliance with the statutory responsibilities.



The slide show with narration for licence application on the website of Money Service Operators Licensing System



Officers of the Money Service Supervision Bureau conducting a seminar about the legal obligation and regulatory requirements of MSOs under the AMLO



Officers of the Money Service Supervision Bureau visited a money service operator for compliance inspection and reminded the operator of his/her statutory responsibilities.

10. Customs Co-operation

World Customs Organization (WCO)

The Department has been actively participating in the WCO fora and meetings organized virtually by the WCO working bodies amidst the COVID-19 epidemic. In 2020, the Department attended the WCO Council Sessions and the following meetings:

- Customs Enforcement Network Management Meeting
- Counterfeiting and Piracy Group
- Data Model Project Team Meeting
- Harmonized System Committee
- Information Management Sub-Committee
- Management Committee on the Revised Kyoto Convention
- Permanent Technical Committee
- Technical Committee on Customs Valuation
- WCO/IATA/ICAO Contact Committee on Advance Passenger Information and Passenger Name Record Data
- Working Group on the Comprehensive Review of the Revised Kyoto Convention
- Working Group on Revenue Compliance and Fraud



Assistant Commissioner of Customs and Excise (Excise and Strategic Support), Mr Jimmy Tam (centre), led a delegation to attend the virtual meeting of the 137th Session of the Customs Co-operation Council in December 2020.

At regional level, the Department attended the following virtual meetings hosted by the WCO Asia/Pacific Vice-Chair to foster dialogue, co-operation and networking in 2020.

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

In view of the global outbreaks of COVID-19, the Department has been rendering full support to WCO's initiatives in overcoming the challenges brought about by the epidemic. We 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)

The Department has been providing unwavering support to the WCO RILO A/P. In 2020, an officer was seconded to work as an Intelligence Analyst for another two-year tenure. 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 2020-22. 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 been taking part in major projects of RILO A/P against the smuggling of cigarettes ("Project Crocodile"), dangerous drugs by air and sea transport ("Drugs Seizures Immediate Notification System"), hazardous waste ("Project Sky-Hole-Patching") as well as household and plastic waste ("Project WINS") like previous years. In 2020, the Department kept fostering co-operation and participating in enforcement activities at regional and international levels, such as "Operation Demeter VI" and "Operation Mekong Dragon II" to respectively tackle the illicit cross-border shipment of hazardous waste and combat against trafficking in dangerous drugs and endangered wildlife species 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. Since 2011, the Department has sent an officer to the ROCB A/P in Bangkok as a Technical Attaché to coordinate capacity building activities for Southeast Asian countries.

In the capacity building domain, the Hong Kong Customs College has been accredited as one of the seven WCO Regional Training Centres (RTCs) in the A/P region since 2004. It will continue to provide staunch support to the WCO and the ROCB A/P for the capacity building efforts in the region.

Asia Pacific Economic Co-operation (APEC)

The Department has been an active participant in various APEC meetings and events during the COVID-19 epidemic.

With the aim of fighting against the epidemic, the Department collaborated with other member economies through the 2nd APEC Sub-Committee on Customs Procedures Meeting held virtually in October 2020 to reinforce the common drive and collective commitment in the protection of global health and safety.



Assistant Commissioner of Customs and Excise (Excise and Strategic Support), Mr Jimmy Tam (left), led a delegation to attend the 2nd APEC Sub-Committee on Customs Procedures Meeting held virtually in October 2020.

Virtual Liaison Officers' Meetings with the Macao Customs Service (MCS) and the Guangdong Sub-Administration of the General Administration of Customs

To minimize the impact caused by the COVID-19 on Customs liaison work, the Department held the virtual Liaison Officers' Meetings with the MCS and the Guangdong Sub-Administration of the General Administration of Customs on 31 August and 9 September 2020 respectively. After the meetings, both sides agreed to exchange meeting documents with a view to consolidating bilateral collaboration on customs clearance facilitation, enforcement actions against cross-boundary drug trafficking and smuggling activities, protection of intellectual property rights as well as training and exchanges.



Head of Customs Affairs and Co-operation, Mr Wong Jug-tung (centre), led a delegation to attend a virtual meeting with the liaison officers of the MCS.

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.



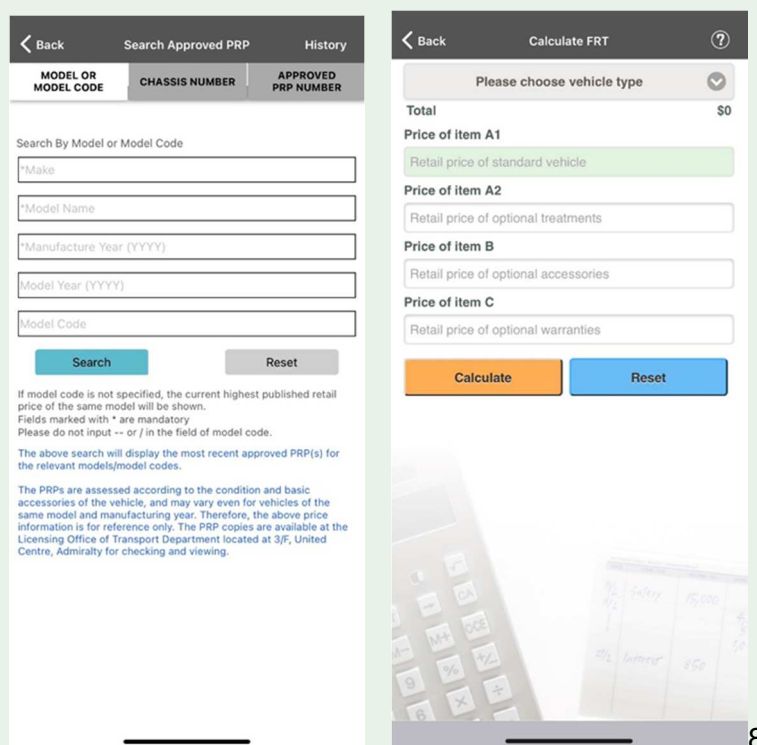
Data Centre staff conducting round-the-clock monitoring of IT Infrastructures

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 and applications for certain licences. In this regard, the Road Cargo System (ROCARS), the Money Service Operators Licensing System, the Dutiable Commodities System and the Currency and Bearer Negotiable Instruments Declaration System (CDS) were fully launched in 2011, 2012, 2017 and 2018 respectively to facilitate traders' compliance with the relevant legal requirements.

To provide new experience for the public to login and use online services with a single digital identity with their personal mobile devices, the Department is enhancing ROCARS and CDS to adopt "iAM Smart". "iAM Smart" is a platform developed by the Office of the Government Chief Information Officer (OGCIO) which supports user authentication, digital signing and on-line form pre-filling. All the new functions would be rolled out in June 2021.

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 approved PRPs.



Public users are able to search approved PRPs and calculate FRT in the “Hong Kong Car Tax” application.

The Second Information Systems Strategy Study

The first Information Systems Strategy Study (ISSS) was completed in 2003 with recommendations on the development of the Department into an intelligence-led and knowledge-centric enforcement agent. To keep pace with the rapid development of innovation and technology (I&T) applications, and to implement the “Smart Customs” strategy, the Department embarked on a new round of ISSS in early 2019 which aims at formulating an up-to-date and holistic IT strategic plan for the coming decade and beyond.

The second round of ISSS was completed in October 2020 and an Information Systems Strategy Plan (ISSP) was recommended. Under the Plan, the Department will make the best use of I&T to achieve digital transformation and ultimately evolve into a data-driven corporation. This will be realized by a broad variety of I&T applications such as cloud computing, big data analytics, artificial intelligence and blockchain.

The ISSS proposed that a total of 16 strategic IT projects be implemented in the coming decade with the goals: 1) to consolidate the Department's IT infrastructure and set up cloud computing and big data platforms for enhanced data analytics capabilities; 2) to develop new operation systems backing up with big data analytics and other innovative technologies for better enforcement effectiveness; and 3) to step up the digitalization of administrative workflow and corporate resources management for better executive effectiveness and stronger support for initiative planning.

Research on Innovation and Technology (I&T) Applications

To support the "Smart Customs" Blueprint and the realization of ISSS, the Department is exploring I&T applications in various Customs work domains. In particular, the Department is conducting proof-of-concept (PoC) studies with the Smart Government Innovation LAB of OGCI on robotic process automation (RPA), chatbot and robot, blockchain, video analytics with artificial intelligence (AI) and big data analytics. It is hoped that the researches will bolster efficiency and effectiveness of Customs work including revenue protection, trade facilitation, border enforcement, investigation and administrative support.

Computer Equipment for New Control Points and Customs Facilities

Computer and IT equipment will be provided to support future Customs operations at Intermodal Transfer Terminal and the Three-Runway System scheduled for commissioning in 2022 and 2024 respectively.

Computer Forensic Laboratory (CFL)

In the wake of rapid IT development, there is a growing concern over cyber crimes, cyber-enabled crimes and crimes perpetrated through exploitation of technologies. As a result, preservation and collection of digital evidence become critical during investigation and prosecution against such crimes. In 2000, the CFL and the Computer Analysis and Response Team were set up to assist frontline investigators in the analysis and restoration of digital evidence, and in giving testimony during prosecution in court.

The CFL of the Department was the first government computer forensic laboratory accredited with international management standards. Since 2006, the CFL has been holding accreditations of ISO 9001 on Quality Management and ISO 27001 on Information Security. A well-established set of standards on integrity and professionalism of the CFL also forms an important part of our robust enforcement strategy. As a result, the credibility of expert advice given in court by our forensic staff is highly recognized and appreciated.

Since its establishment, the CFL has processed 1 292 cases involving 1 109 servers/ computers, 3 619 hard disk drives, 827 optical disc replicating machines, 1 616 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 1 207 TB). Types of processed cases include intellectual property rights infringement, internet piracy, money laundering, drug trafficking, smuggling, false trade descriptions and revenue frauds.



CFL staff collecting digital evidence

Vice-chairmanship in the World Customs Organization's Information Management Sub-Committee (IMSC)

The Department endeavours to provide continuous support and participate actively in the Information Management Sub-Committee (IMSC) of the World Customs Organization (WCO). The IMSC initiates works and studies for WCO Members in the use of IT and management of information, with a view to allowing for greater facilitation of international trade, increasing the efficiency and effectiveness of Customs control and identifying potentials for improving existing systems and reducing costs. The IMSC also plays a significant role in formulating best practices, standards and guidelines on IT applications.

During the 78th/79th Meetings of the IMSC convened virtually in November 2020, the representative of Hong Kong Customs was elected the Vice Chairman of the IMSC for a one-year term. The Department will continue to join hands with overseas counterparts and exchange insights through the IMSC platform to contribute to the international Customs community.



The representative of Hong Kong Customs, Head of Office of Information and Technology, was elected the Vice Chairman of the World Customs Organization's Information Management Sub-Committee in the virtual meetings convened in November 2020 amid the COVID-19 epidemic.

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 to cope with the increasing cross-boundary traffic. The projects include:

- Heung Yuen Wai Boundary Control Point
- Three-Runway System
- Intermodal Transfer Terminal

Heung Yuen Wai Boundary Control Point (HYW BCP)

The Heung Yuen Wai Boundary Control Point (HYW BCP) helps redistribute cross-boundary traffic amongst other existing crossings and alleviate congestion. It adopts a "direct access" and "2-storey concept" design with an area 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.

On 26 August 2020, the opening ceremony for cargo clearance service at HYW BCP was held and the cargo clearance service commenced operation on the same day. The commissioning dates of other services (i.e. passenger clearance service and private car clearance service) of the control point would be determined after further deliberation between the Shenzhen Municipal Government and the HKSAR Government.



Aerial view of Heung Yuen Wai Boundary Control Point

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 the Hong Kong International Airport (HKIA) with the Three-Runway System (3RS). Construction of 3RS has commenced in August 2016. The target completion date will be 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 more arrivals and departures, and 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, the HKIA will be able to serve 30 million additional passengers annually.

Intermodal Transfer Terminal (ITT)

The AAHK is developing an Intermodal Transfer Terminal (ITT) to meet the anticipated demand from additional transfer passengers at the HKIA following the opening of the Hong Kong-Zhuhai-Macao Bridge (HZMB).

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



Conceptual design of Intermodal Transfer Terminal

13. Administration

Human Resource Management

The Department's human resource management aims at strengthening the capabilities of its staff in achieving the Department's mission and in delivering business results in an efficient and effective manner. The Department maintains 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 operational 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 ethics and probity among its staff, the Department organized a series of educational and publicity campaigns on staff integrity and healthy lifestyle in the past year. To further strengthen integrity management and maintain a high level of staff integrity, the Integrity Management Group was established in December 2020 with the dedicated responsibility to handle matters related to integrity management.

On the publicity front, the departmental newsletter on promoting healthy lifestyle and staff integrity, "*The Pine*", continues to instill the concept of healthy lifestyle in its staff by widely covering stories in 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 for family members, colleagues and the community

"*The Pine*" also has a caricature section to promote the application of integrity and professional ethics principles as promulgated in the Code on Conduct and Discipline under different real-life circumstances.

Promotion of Occupational Safety and Health

The Department has been making strenuous efforts to ensure workplace safety and to raise staff awareness of occupational safety and health (OSH). In 2020, the Occupational Safety Working Group continued to take actions on multiple fronts to meet the said objectives, in particular by paying regular visits to workplaces of the Department for safety inspection. The Departmental Safety and Health Officer specially visited the workplaces of the Heung Yuen Wai Division several times to render OSH advice before the commissioning of the Control Point in August 2020.

Welfare, Sports and Recreation

In view of the development of the COVID-19 epidemic situation in Hong Kong and to follow the social distancing measures and regulation of prohibition on group gathering, most of the sports and recreation activities under the Departmental Sports and Recreation Club were temporarily suspended in 2020.

To give closer attention to staff welfare needs and to promote a caring culture among its staff, the Department established the health and welfare management system. In 2020, there were 108 officers appointed as Health and Welfare Managers in various offices. These officers were provided with job related training and access to the welfare-related information system to perform their job effectively. In addition to conducting periodic welfare visits, they acted as contact points for officers seeking assistance in matters related to welfare, health and work.

Apart from in-house assistance, the Department also commissioned the Christian Family Service Centre to provide counselling services for individual officers and their family members, including a 24-hour telephone hotline for instant counselling and face-to-face counselling by professional social workers. The agency and other non-governmental social welfare organizations also provided training sessions to Health and Welfare Managers as well as colleagues in different formations on subjects such as mental health, first aid, handling of pathological gamblers, counselling skills and knowledge.

14. Training and Development

To maintain the professionalism of its staff and to help them develop knowledge and skills throughout their careers, the Department makes significant efforts in 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 the OTD is responsible for cross-formation training and development, individual major formations are responsible for organizing formation-specific training.



Hong Kong Customs College

Training and Development Activities

The Department formulates its human resource development strategies on the basis of the competency requirements of its staff who are tasked to fulfill specific departmental functions. The OTD organized a wide range of training programmes throughout the year to enhance the core competencies and functional competencies of officers. 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 eight officers to attend different training programmes hosted by academic institutions, customs organizations and law enforcement administrations in Hong Kong and overseas in 2020.

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, Hong Kong Customs College (HKCC) 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 are introduced. Moreover, relevant personalities will be invited to share their vision and experience with the trainees.



Physical Fitness Training



Firearms Training

Since December 2018, HKCC has been accredited by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications as an operator competent to operate accredited learning programmes under the Hong Kong Qualifications Framework (QF). In 2020, 47 Probationary Inspectors were awarded “Professional Diploma in Customs Management for Inspectors” at QF level 5 (pitched at the same QF level as a local Bachelor's Degree), while 187 Probationary Customs Officers were awarded “Professional Diploma in Customs Operations for Customs Officers” at QF level 4 (pitched at the same QF level as a local Associate Degree or a Higher Diploma).

Starting from June 2020, HKCC has been collaborating with the Open University of Hong Kong (the OUHK) and the School of Continuing and Professional Education of City University of Hong Kong to offer enhanced enforcement training to new trainees of the Inspector Induction Course and the Customs Officer Induction Course, and provide articulation pathways for the graduates. Apart from various concepts of criminology, sociology and psychology delivered by the universities, the enhanced training also covers knowledge in conflict management, media relations, public service management, etc. Graduates of the new Induction Courses will be awarded the "Certificate in Law Enforcement and Customs Management" by the OUHK, and are entitled to credit exemptions when pursuing relevant programmes offered by the two universities.



Lecture on psychological studies

The Department attaches great importance to quality training and professionalism for all grades of its law enforcement staff. After reviewing and revamping the induction course of the Trade Controls Officer Grade, the Department had applied for accreditation of the Assistant Trade Controls Officer Induction Course (ATCOIC) under the QF. In October 2020, the ATCOIC was successfully accredited as a QF Level 5 programme. It is the first ever civilian law enforcement induction course accredited at QF Level 5. The programme has subsequently entered into the Qualifications Register. Graduates of the ATCOIC admitted after 1 October 2020 will be awarded the “Professional Diploma in Trade Controls for Assistant Trade Controls Officer”.

National Security Education

The National Security Law came into effect on 30 June 2020. To raise the awareness of national security of staff members, HKCC has prepared a series of dedicated training materials on the Hong Kong National Security Law, which have been incorporated as a compulsory subject into the Induction Courses for new recruits to Inspector, Customs Officer and Assistant Trade Controls Officer.

The Department has distributed booklets on the National Security Law produced by the HKSAR Government to staff of all ranks, and encouraged them to revisit the relevant materials on the web-based learning portal for civil servants.

HKCC will continue to closely co-operate with the Civil Service Training and Development Institute in providing the most suitable courses for all officers to ensure that they have a clear understanding of their responsibility of safeguarding national security.



Lecture on the National Security Law

Personal Development of Staff

The Department advocates a schematic approach whereby senior and middle managers are nurtured through a designated roadmap. In 2020, one senior officer attended a leadership development programme in Hong Kong.

Continuous Learning and Development

The Department adopts 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 training, the departmental Corporate Portal paves way for individual officers to achieve self-learning through studying the e-Learning programmes at their own pace.

The Department also collaborates with the Civil Service Training and Development Institute to deliver e-Learning through the Cyber Learning Centre Plus, with 43 programmes encompassing topics related to operational skills, communication, legal knowledge, integrity, constitution and national security.

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

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

As one of the WCO RTCs in the Asia Pacific, HKCC plays an active and significant role in supporting the WCO's capacity building initiatives. RTC Hong Kong, China will continue to provide staunch support to the WCO and the ROCB A/P for the capacity building efforts in the region.

Mutual Training Assistance

Interaction among counterparts in the global customs community is a key to successful enforcement outcomes. In 2020, the Department sent seven officers to receive training from other customs organizations and law enforcement administrations.

Occupational Safety and Health

The Department is committed to providing a safe and healthy working environment for its staff and adopting a holistic framework on safety management system. In 2020, eight tailor-made courses such as "Safety Inspection Course", "Mental Health First Aid Course", "Workshop on Handling of Problem Gambling", "Safe Handling of Chemicals Course", etc. were provided to 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.



Article promoting occupational safety and health in "Pine", C&ED's publication

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 training courses were provided to frontline officers to enhance their capability in responding to various kinds of threats and on the proper use of force in different enforcement situations. Other specialized training courses on investigations were also organized to strengthen officers' ability in analyzing intelligence and planning in-depth investigations against organized crimes.

The Department deploys specialized equipment such as X-ray screeners and trace contraband detectors to help frontline officers to detect contrabands.

Training Programme tailor-made for the Customs Canine Force (CCF) was held in early July 2020. The training programme was jointly organised by the City University of Hong Kong (CityU) Veterinary Medical Centre and the Jockey Club College of Veterinary Medicine and Life Sciences of CityU. It was also CityU's first pilot canine breeding course tailor-made for local law enforcement agencies.



The Commissioner of Customs and Excise, Mr Hermes Tang (second row, centre); the President of the City University of Hong Kong, Professor Way Kuo (second row, fifth left); and the Deputy Commissioner of Customs and Excise, Ms Louise Ho (second row, fourth left), were pictured with 10 officers from the Customs Canine Force who were awarded certificates at the certificate presentation ceremony of the Canine Breeding Training Programme.

Prosecution-related Training

Legal knowledge is essential for successful prosecution in a criminal case. In 2020, the Service Prosecution Group organized a considerable number of training courses and sharing sessions on prosecution-related matters for frontline officers, including court procedures and trial preparation, court attendance and case handling, prosecution and forfeiture procedures, mock trials, etc. with a view to keeping frontline officers abreast of the latest legal knowledge and courts' requirements.

15. Financial Administration

Revenue

The Department collected HK\$12,385 million of revenue in 2020-21, representing an increase of 3.4 per cent over that in 2019-20. The increase was mainly attributable to the increase in revenue collection from cigarettes, which was partly offset by the decrease in revenue collection from hydrocarbon oils.

A summary of the revenue collected in 2019-20 and 2020-21 is at Appendix 8.

Expenditure

The total expenditure of the Department in 2020-21 amounted to HK\$4,811 million, of which Personal Emoluments, Other Recurrent Expenses and Capital Account Expenditure accounted for 72.2 per cent, 26.6 per cent and 1.2 per cent respectively. The increase in expenditure of 5.5 per cent over that in 2019-20 was mainly due to the increase in operating expenses for the commissioning of cargo clearance facilities at the Heung Yuen Wai Boundary Control Point and the provision of 24-hour cargo clearance services at Shenzhen Bay Control Point, partly offset by the decrease in cash flow requirement for capital account items.

A summary of the total expenditure in 2019-20 and 2020-21 is at Appendix 9.

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

	2019-20	2020-21
	HK\$M	HK\$M
(a) Control and Enforcement	3,506	3,657
(b) Anti-narcotics Investigation	245	265
(c) Intellectual Property Rights and Consumer Protection	380	441
(d) Revenue Protection and Collection	216	227
(e) Trade Controls	212	221

Seizure Management

The provision of service for the storage and disposal of seized goods is one of the major tasks of the Department. In 2020-21, the total average storage space available for accommodating seized goods and vehicles in government storehouses was 57 084 square metres while that in private godowns was 5 786 cubic metres.

After forfeiture, the seized goods are disposed of by auction or destruction. The Department disposed of about 47 317 items of confiscated goods in 2020-21, which included cigarettes, optical discs, drugs, fuel oil, computer equipment, vessels and vehicles. The proceeds from the sale of forfeited goods during the period amounted to about HK\$1.26 million.

16. Criminal Prosecution

The Department takes criminal prosecution seriously with the aim of bringing offenders to justice. Successful prosecution is not only an inspiring finale to frontline operation and investigation, but also serves as a strong deterrent to criminal activities. In 2020, the number of prosecution cases was 2 165, of which 817 (37.7 per cent) were related to the Import and Export Ordinance, 718 (33.2 per cent) related to the Dutiable Commodities Ordinance, 386 (17.8 per cent) related to the Trade Descriptions Ordinance, 131 (6.1 per cent) related to the Dangerous Drugs Ordinance and 68 (3.1 per cent) related to the Copyright Ordinance. A total of 2 220 persons and 256 companies were prosecuted, resulting in a total fine of HK\$9.2 million and the imposition of imprisonment in 426 cases.

Major Legislation Amendments

Trade Marks (Amendment) Ordinance 2020

The Trade Marks (Amendment) Ordinance 2020 came into operation on 19 June 2020. Among other things, it conferred powers on the Department to enforce the criminal provisions under the Trade Marks Ordinance (Cap. 559) against “falsification of the Register of Trade Marks”, “falsely representing a trade mark as registered” and “misuse of the title of the Trade Marks Registry”.

Toys and Children’s Products Safety Ordinance (Amendment of Schedules 1 and 2) Notice 2020

The Toys and Children's Products Safety Ordinance (Amendment of Schedules 1 and 2) Notice 2020 came into operation on 1 October 2020. The Notice amended Schedules 1 and 2 to the Ordinance to apply the updates to safety standards for toys and eight classes of Schedule 2 products, namely "babies' dummies", "baby walking frames", "child safety barriers for domestic use", "children's cots for domestic use", "children's high chairs and multi-purpose high chairs for domestic use", "children's paints", "playpens for domestic use" and "wheeled child conveyances" under the Ordinance.

Prosecution Summary

In 2020, a total of 1 936 persons and 248 companies were convicted in prosecution cases brought by the Department. Details of the prosecution related figures are set out in Appendices 14 to 16.

17. Anti-epidemic Work

The Department has actively participated in and fully supported the multifaceted anti-epidemic measures of the Government of the Hong Kong Special Administrative Region in the fight against the COVID-19 epidemic since February 2020. The Department's Anti-epidemic Team offered staunch support to the Government and took part in carrying out duties by joining the Quarantine Camp Team, Home Visit Team, Quarantine Order Team and Contact Tracing Team. Besides, the C&ED Volunteer Team comprising both serving and retired officers has been actively delivering anti-epidemic services to the community.

Quarantine Camp Team

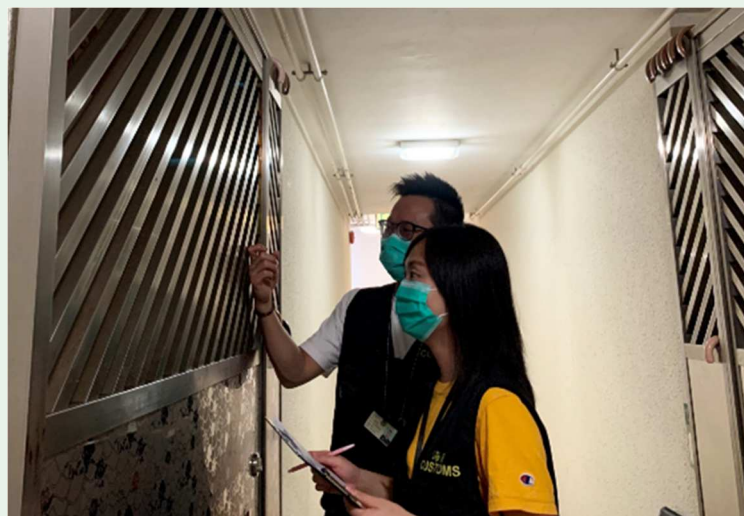
Following the Government's requirement of compulsory quarantine arrangement on inbound travellers arriving from the Mainland, Macao, Taiwan and overseas countries, the Department's Anti-epidemic Team has assisted the Leisure and Cultural Services Department in managing and operating two quarantine centres at Tso Kung Tam Outdoor Recreation Centre and Sai Kung Outdoor Recreation Centre since February 2020. Customs officers delivered round-the-clock support services at the centres, including admission and discharge procedures, arrangement and delivery of daily necessities to the quarantined persons inside the camps and support in other logistics work. In March 2020, Customs officers also assisted in setting up the quarantine centre at the Lady MacLehose Holiday Village by providing manpower support and sharing experiences. From 8 February 2020 to 31 December 2020, a total of 48 Customs officers provided support to the Quarantine Camp Team and handled over 1 200 quarantined persons.



The Quarantine Camp Team has assisted the Leisure and Cultural Services Department in managing and operating two quarantine centres at Tso Kung Tam Outdoor Recreation Centre and Sai Kung Outdoor Recreation Centre since February 2020.

Home Visit Team

Hong Kong residents arriving from the Mainland, Macao or Taiwan may undergo compulsory quarantine at home. In order to avert those under home quarantine from breaching the quarantine order, the Department's Anti-epidemic Team has assisted the Department of Health (DH) in conducting spot checks on home quarantined persons since 15 February 2020. From 15 February 2020 to 31 December 2020, a total of 38 Customs officers provided support to the Home Visit Team and conducted over 6 500 spot checks.



The Home Visit Team has assisted the Department of Health in conducting spot checks on home quarantined persons since 15 February 2020.

Quarantine Order Team

In view of the severe epidemic development in overseas countries in March 2020, the Department's Anti-epidemic Team deployed members to the Hong Kong International Airport and the Hong Kong-Zhuhai-Macao Bridge Control Point in March and April 2020 to assist the DH in issuing compulsory quarantine orders and briefing incoming travellers on the arrangements. From 19 March 2020 to 15 April 2020, a total of 26 Customs officers provided support to the Quarantine Order Team and worked for around 2 400 hours.



The Department's Anti-epidemic Team assisted in issuing compulsory quarantine orders and briefing incoming travellers on the arrangements.

Contact Tracing Team

To effectively suppress the spread of the COVID-19 epidemic in the community, the Department's Anti-epidemic Team assisted the Centre for Health Protection of the DH in conducting contact tracing and investigation of confirmed cases in April and December 2020. Customs officers paid tremendous efforts in identifying the venues visited by confirmed patients and tracing their close contacts within a short period of time so as to contain the spread of virus. During the period, a total of 31 Customs officers provided support to the Contact Tracing Team and worked for around 1 300 hours.



The Contact Tracing Team assisted the Centre for Health Protection of the Department of Health in April and December 2020 in tracing close contacts of confirmed cases.

C&ED Volunteer Team

On top of the teams mentioned above, the C&ED Volunteer Team comprising both serving and retired officers has also participated in the anti-epidemic volunteer services since February 2020. Not only did they provide logistics support to hospitals, they also assisted in triage at the temporary test centres at the AsiaWorld-Expo and the Regal Oriental Hotel. They paid visits and distributed anti-epidemic goods to the elderly and people in need, and helped the people under home quarantine to replace their electronic wristbands. Up to 31 December 2020, around 2 100 head counts of volunteers provided support and served for around 8 600 hours.



The C&ED Volunteer Team has actively participated in the anti-epidemic volunteer services since February 2020.

Chronicle

January 2020

- Passing-out Parade for officers of No. 124 Inspector Induction Course and No. 456 to 466 Customs Officer Induction Courses, with the Honourable CHAN Hak-kan, BBS, JP, Chairman of Legislative Council Panel on Security, as the Inspecting Officer.



Chairman of Legislative Council Panel on Security Mr CHAN Hak-kan inspecting probationary customs officers

- Seized 3.2 million sticks of illicit cigarettes with a retail value of HK\$8.6 million from a cross-boundary truck in San Tin.



Illicit cigarettes were seized from a cross-boundary truck in San Tin.

- Seized 800 000 sticks of illicit cigarettes with a retail value of HK\$2.2 million from a cross-boundary lorry at Shenzhen Bay Control Point. The cigarettes were mix-loaded with other goods on board the vehicle.



Illicit cigarettes were mix-loaded with other goods on board an incoming lorry at Shenzhen Bay Control Point.

- Seized 1.04 million sticks of illicit cigarettes and about 17 litres of duty-not-paid liquor with a total retail value of HK\$2.9 million from a cross-boundary lorry at Shenzhen Bay Control Point. The cigarettes and liquor were mix-loaded with other goods on board the vehicle.



Illicit cigarettes and duty-not-paid liquor were mix-loaded with other goods on board an incoming lorry at Shenzhen Bay Control Point.

- Seized 63 730 electronic products and 74 kg of electronic components with a retail value of HK\$27 million in a joint operation with the Marine Police against sea smuggling off Black Point.



Electronic products seized in the joint operation

- Seized a total of 234 096 kg of frozen meat with a retail value of HK\$8.2 million from two cargo vessels and four barges in an operation against sea smuggling in the waters off Lung Kwu Chau.



Frozen meat seized in the operation

- Seized 70 kg of cannabis buds concealed inside 32 loudspeakers with a retail value of HK\$12 million in an inbound consignment arriving from Canada at the Airport.



70 kg of cannabis buds concealed inside 32 loudspeakers

- Seized 9.98 kg of methamphetamine concealed inside canned food in two carton boxes with a retail value of HK\$5.45 million in an inbound parcel arriving from Malaysia at the Airport.



9.98 kg of methamphetamine concealed inside canned food (part of the seizure)

- Seized 8.34 kg of cocaine concealed inside drums with a retail value of HK\$8.76 million in a consignment arriving from Ethiopia at the Airport.



Cocaine concealed inside drums

- Seized 4.4 kg of cocaine in seven slabs concealed in the hidden compartments of a suitcase and a briefcase with a retail value of HK\$4.5 million from an incoming passenger arriving from Brazil via France at the Airport.



Cocaine concealed in the hidden compartment of a briefcase (part of the seizure)

- Seized 2.99 kg of cocaine concealed inside the false compartment of a suitcase with a retail value of HK\$3.06 million from a passenger arriving from Guinea via Ethiopia at the Airport.



Cocaine concealed inside the false compartment of a suitcase

- Mounted a joint operation with Malaysia Customs resulting in the seizure of 4 kg of methamphetamine concealed inside four rolls of water hose with a retail value of HK\$2.18 million in an inbound parcel arriving from Malaysia.



4 kg of methamphetamine concealed inside four rolls of water hose

- Seized a total of 434 carton of goods bearing suspected forged trademark with a retail value of HK\$2.34 million from an inbound container tractor at Man Kam To Control Point.



Goods bearing suspected forged trademark seized at Man Kam To Control Point

- Conducted an operation and seized 10 000 pieces of suspected counterfeit goods, including handbags, belts and watches, with a retail value of HK\$4 million. Six persons were arrested in a number of mobile and fixed-pitch hawker stalls in Central and Mong Kok as well as two storages in Mong Kok.



Counterfeit goods, including handbags, belts and watches were seized.

- Conducted a targeted operation against the smuggling of counterfeits to the United States. About 10 000 pieces of suspected counterfeit goods including mobile phones, handbags, footwear and watches with a retail value of HK\$1.1 million were seized.



Suspected counterfeit products seized in the targeted operation

- Conducted an operation against online sale of counterfeit goods in the name of shopping agents. Seized about 1 200 items of suspected counterfeit goods, including handbags, clothing and shoes, with a retail value of HK\$1.3 million. Seven persons were arrested.



Suspected counterfeit handbags seized in the operation

- Seized 68 000 surgical masks with false manufacturing date from a pharmacy in Mong Kok with a retail value of HK\$380,000.



Surgical masks with false manufacturing date

February 2020

- The Department's Anti-epidemic Team assisted the Leisure and Cultural Services Department in managing and operating two quarantine centres at Tso Kung Tam Outdoor Recreation Centre and Sai Kung Outdoor Recreation Centre since February 2020.



The Department's Anti-epidemic Team provided logistic support in managing and operating quarantine centre at Tso Kung Tam Outdoor Recreation Centre.

- Seized 32.6 million sticks of illicit cigarettes with a retail value of HK\$89.6 million from four containers in Yuen Long, Man Kam To and Tuen Mun River Trade Terminal. The containers were shipped from Japan by vessels to Hong Kong via the Mainland. This was the largest illicit cigarette smuggling case detected by Customs in the past two decades.



Illicit cigarettes were seized from four containers in Yuen Long, Man Kam To and Tuen Mun River Trade Terminal.

- Seized two left-hand drive vehicles declared as “Toilet Paper / Tissues” with a retail value of HK\$1.2 million from an inbound container arriving from the United States.



Left-hand drive vehicles seized

- Seized about 2.3 kg of cocaine with a retail value of HK\$2.4 million from an incoming lorry at Hong Kong-Zhuhai-Macao Bridge Hong Kong Port. The drugs were concealed inside a metal gear wheel on board the vehicle.



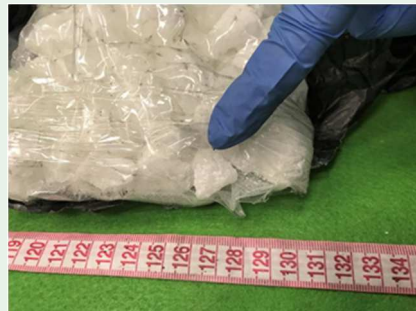
2.3 kg of cocaine were concealed inside a metal gear wheel on board an incoming lorry at Hong Kong-Zhuhai-Macao Bridge Hong Kong Port.

- Seized 11 kg of ketamine in four packets concealed in the hidden compartments of two suitcases with a retail value of HK\$6.14 million from two incoming passengers arriving from France at the Airport.



Ketamine concealed in the hidden compartment of a suitcase (part of the seizure)

- Seized 15 kg of ketamine in six packets concealed in the hidden compartments of two suitcases with a retail value of HK\$8.2 million from an incoming passenger arriving from France at the Airport.



Ketamine concealed in the hidden compartment of a suitcase (part of the seizure)

- Seized 15.97 kg of ketamine concealed inside the false compartments of two suitcases with a retail value of HK\$8.8 million from two passengers arriving from France at the Airport.



Ketamine concealed inside the false compartments of two suitcases

- Seized 4.46 kg of liquid cocaine camouflaged as bottles of sparkling wine with a retail value of HK\$4.68 million from three passengers arriving from the Netherlands via different transit ports at the Airport.



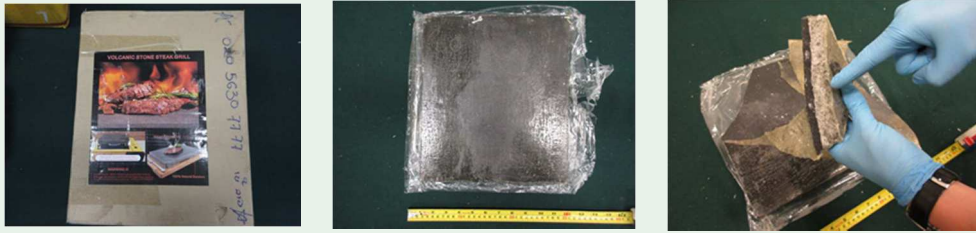
Liquid cocaine camouflaged as bottles of sparkling wine

- Seized 5.97 kg of methamphetamine camouflaged as cereal with a retail value of HK\$4.66 million from a passenger arriving from Cambodia at the Airport.



Methamphetamine camouflaged as cereal

- Seized 5.3 kg of methamphetamine camouflaged as grill stones with a retail value of HK\$2.84 million in a consignment arriving from Thailand at the Airport.



Methamphetamine camouflaged as grill stones

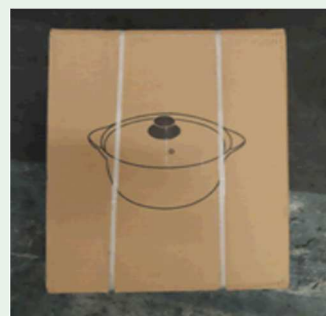
- Mounted a joint operation with the Narcotics Control Bureau of Guangdong Provincial Public Security Department and Anti-Smuggling Bureau of the Guangdong Sub-Administration of the General Administration of Customs resulting in the seizure of 18 kg of cocaine found inside a suitcase with a retail value of HK\$19 million and the arrest of one person in Hong Kong.



18 kg of cocaine found inside a suitcase

March 2020

- Seized 10.2 million sticks of illicit cigarettes with a retail value of HK\$28.1 million from a transshipment container at the Kwai Chung Container Terminal. The cigarettes were camouflaged as kitchenware shipped from Cambodia by vessel to the Philippines via Hong Kong.



Illicit cigarettes were seized from a transshipment container at the Kwai Chung Container Terminal.

- Seized 570 000 sticks of illicit heat-not-burn (HNB) tobacco products declared as “Foods, Daily Goods” with a retail value of HK\$1.6 million from an inbound container arriving from Japan.



Illicit HNB tobacco products mix-loaded with other declared goods

- Seized 2.16 kg methamphetamine with a retail value of HK\$1.2 million concealed inside four shoes and a cushion in an express parcel from an inbound lorry at Lok Ma Chau Control Point.



Methamphetamine seized at Lok Ma Chau Control Point

- Seized 16.5 kg of cocaine in 15 blocks in the hidden compartment of a reefer container with a retail value of HK\$17.7 million arriving from Brazil in transit to Japan at Kwai Chung Cargo Examination Compound.



16.5 kg of cocaine concealed in the hidden compartment of a reefer container (part of the seizure)

- Seized 8 kg of cocaine and 2.94 kg of methamphetamine with a retail value of HK\$10.1 million from two passengers arriving from South Africa at the Airport. The methamphetamine was found concealed inside the false compartments of their suitcases while the cocaine was found wrapped around their waists by girdles.



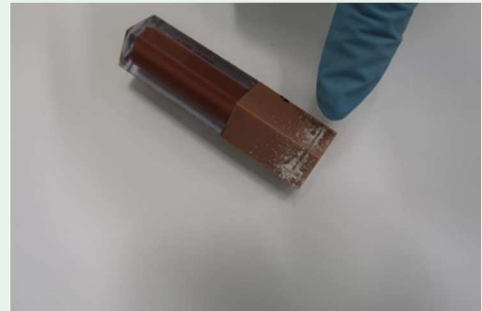
Methamphetamine and cocaine concealed inside false compartment of suitcases and girdles

- Seized 304 kg of gamma-butyrolactone (GBL) contained inside plastic drums with a retail value of HK\$5.77 million in an outbound cargo departing for Australia at the Airport.



GBL contained inside plastic drums

- Seized 3.46 kg of cocaine camouflaged as assorted types of personal hygiene products and cosmetics with a retail value of HK\$4.68 million from a passenger arriving from Ethiopia via the Philippines at the Airport.



Cocaine camouflaged as assorted types of personal hygiene products and cosmetics

- Seized 1.17 kg of cocaine with a retail value of HK\$1.3 million from an incoming passenger arriving from Brazil via Ethiopia at the Airport. The cocaine was smuggled by way of internal concealment.



Cocaine smuggled by way of internal concealment

- Seized 6.17 kg of methamphetamine concealed inside bottles of hair shampoo with a retail value of HK\$3.36 million in a parcel arriving from Canada at the Airport.



Methamphetamine concealed inside hair shampoo bottles

- Seized 3.6 kg of methamphetamine in 13 packets concealed in the hidden compartment of a suitcase with a retail value of HK\$1.8 million from an incoming passenger arriving from Malaysia at the Airport.



3.6 kg of methamphetamine concealed in the hidden compartment of a suitcase

- Mounted a joint operation with the Drug Enforcement Administration resulting in the seizure of 4 kg of cocaine concealed in the hidden compartments of a suitcase and a briefcase at the Airport with a retail value of HK\$4.2 million and the arrest of one person in Hong Kong.



Cocaine concealed in the hidden compartment of a suitcase (part of the seizure)

- Conducted operations in Shenzhen Bay Control Point and Man Kam To Control Point seized about 30 000 numbers of suspected counterfeit goods, including watches, mobile phone cases, clothing, bags and shoes, with a retail value of HK\$3.3 million from three incoming cross-boundary container trucks.



Suspected counterfeit goods, including watches, mobile phone cases, clothing, bags and shoes seized in Shenzhen Bay Control Point

April 2020

- A video conference was conducted with the General Administration of Customs to review the latest development of the Authorized Economic Operator (AEO) Programme in both sides and to map out strategies to further enhance the cooperation and effectiveness of the AEO Mutual Recognition Arrangement (MRA) between the Mainland and Hong Kong.



A video conference with the General Administration of Customs was held on 9 April 2020 to further enhance cooperation under the AEO MRA between the Mainland and Hong Kong.

- Seized 10 million sticks of illicit cigarettes with a retail value of HK\$27.6 million in a metal shed in Yuen Long.



Illicit cigarettes were seized in a metal shed in Yuen Long.

- Seized 33 tonnes of donkey skins, 1.02 tonnes of sea cucumbers and 2 kg of fish maws declared as “Table Salt” with a retail value of HK\$2.9 million from two inbound containers arriving from Egypt.



Unmanifested donkey skins, sea cucumbers and fish maws seized (part of the seizure)

- Seized a total of 224 913 kg of frozen meat with a retail value of HK\$8.8 million from two barges in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized 4.88 kg of heroin concealed inside capsules camouflaged as health products with a retail value of HK\$3.44 million in two parcels arriving from Thailand at the Airport.



Heroin concealed inside capsules

- Seized 6.2 kg of ketamine concealed inside cardboards of art works with a retail value of HK\$3.14 million in two parcels arriving from the Netherlands at the Airport.



Ketamine concealed inside cardboards of art works

- Seized 5 kg of ketamine in 12 packets concealed inside two pairs of boots with a retail value of HK\$2.5 million in an inbound parcel arriving from France at the Airport. One person was arrested in Sheung Wan.



5 kg of ketamine concealed inside the boots

- Seized 2 kg of liquid cocaine concealed inside two red wine bottles with a retail value of HK\$2.3 million in an inbound parcel arriving from Taiwan at the Airport. One person was arrested in Tai Po.



2 kg of liquid cocaine concealed inside two red wine bottles

- Seized 1 kg of cocaine and 225 gm of crack cocaine with a retail value of HK\$ 1.4 million inside a premises in Yuen Long with drug manufacturing and packaging paraphernalia.



1 kg of cocaine, 225 gm of crack cocaine and a batch of drug manufacturing and packaging paraphernalia were seized (part of the seizure).

- Mounted a joint operation with the Anti-Smuggling Bureau of the Guangdong Sub-Administration of the General Administration of Customs resulting in the seizure of 0.98 kg of methamphetamine concealed inside a book with a retail value of HK\$0.63 million in an inbound parcel arriving from the UK.



0.98 kg of methamphetamine concealed inside a book

- Seized a total of 78,945 number of food supplements bearing suspected false trade origin and 400 kg rice with a retail value of HK\$8.26 million from an inbound container tractor at Man Kam To Control Point.



Goods bearing suspected forged trademark and rice seized at Man Kam To Control Point

- Seized a total of about 49 500 items of suspected counterfeit goods, including mobile phones and accessories, watches and clothing, with a retail value of about HK\$8.4 million in total at Man Kam To Control Point and two storehouses in Kwun Tong and Fanling. Six persons were arrested.



Suspected counterfeit mobile phones and accessories seized in the counterfeit goods storehouses in Kwun Tong and Fanling

- Seized 3 046 bottles of gin, a batch of labels and a set of still with a retail value of HK\$1.5 million in a case of using imported gin to disguise as locally-distilled gin in Tsuen Wan.



Gin and still seized

May 2020

- Seized 2.2 million sticks of illicit cigarettes declared as “Instant Noodles” with a retail value of HK\$6 million from an inbound container arriving from Vietnam.



Illicit cigarettes seized from an inbound container at Kwai Chung Customhouse

- Seized 816 000 sticks of illicit cigarettes with a retail value of HK\$2.2 million from a cross-boundary lorry at Shenzhen Bay Control Point. The cigarettes were concealed inside a batch of children's stationery on board the vehicle.



Illicit cigarettes were concealed inside a batch of children's stationery on board an incoming lorry at Shenzhen Bay Control Point.

- Seized a batch of suspected smuggled goods, including cosmetics, daily necessities, high-valued food and electronic products, with a retail value of HK\$29 million in a joint operation with the Marine Police against sea smuggling in Sha Tau Kok.



Suspected smuggled goods seized in the operation

- Seized 26 tonnes of dried shark fins with a retail value of HK\$8.7 million from two inbound containers arriving from Ecuador.



Dried shark fins seized from two inbound containers at Kwai Chung Customhouse

- Seized a total of 152 244 kg of frozen meat with a retail value of HK\$5.3 million from one cargo vessel and one barge in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized 208 056 kg of frozen meat with a retail value of HK\$7.3 million from one barge in an operation against sea smuggling in the waters off Lung Kwu Chau.



Frozen meat seized in the operation

- Seized 239 520 kg of frozen meat with a retail value of HK\$8.4 million from one barge in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized 217 kg of cocaine concealed inside an aircraft engine with a retail value of HK\$246 million in a consignment arriving from Ecuador at the Kwai Chung Customhouse Cargo Examination Compound.



217 kg of cocaine concealed inside an aircraft engine

- Seized 10 kg of ketamine concealed inside 24 milk powder cans with a retail value of HK\$5 million in an inbound consignment arriving from the Netherlands at the Airport. One person was arrested in Kowloon City.



10 kg of ketamine concealed inside 24 milk powder cans (part of the seizure)

- Seized 10 kg of ketamine camouflaged as coffee beans with a retail value of HK\$5.03 million in a consignment arriving from the Netherlands at the Airport.



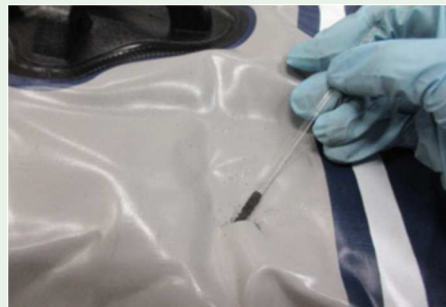
Ketamine camouflaged as coffee beans

- Seized 7 kg of cocaine concealed inside 12 powdered formula cans in an inbound consignment arriving from the Netherlands at the Airport and further seizure of 18.5 gm of ketamine with a total retail value of HK\$7.9 million and the arrest of one person in Tsuen Wan.



7 kg of cocaine concealed inside 12 powdered formula cans (part of the seizure)

- Seized 4.55 kg of cocaine concealed inside a deflated rubber boat with a retail value of HK\$4.81 million in a transshipment consignment arriving from Colombia and destined to the Mainland at the Airport.



Cocaine concealed inside a deflated rubber boat

- Seized 2.15 kg of ketamine and 1.4 kg of cocaine concealed inside brick boxes with a retail value of HK\$2.51 million in a parcel arriving from the Netherlands at the Airport and arrested one person.



Ketamine and cocaine concealed inside brick boxes

- Seized 3 kg of ketamine concealed inside a child car seat with a retail value of HK\$1.51 million in a consignment arriving from the Netherlands at the Airport.



Ketamine concealed inside a child car seat

- Conducted a joint operation with the Mainland and Macao Customs against the smuggling of counterfeits to the North American countries. About 10 000 pieces of suspected counterfeit goods including, handbags, footwear, clothing and mobile phones and accessories with a retail value of HK\$1.47 million were seized.



Suspected counterfeit products seized in the joint operation

- Seized a total of about 4 000 items of suspected counterfeit mobile phones and accessories with a retail value of about HK\$1.1 million in total at a devanning area in Kwai Chung and two storehouses in Tsim Sha Tsui. Two persons were arrested.



Suspected counterfeit mobile phones and accessories seized in the operation

- Seized 38 000 numbers of suspected counterfeit handbags, suitcases, wallets and accessories with a retail value of HK\$2.5 million from a transshipment container destined for Turkey from Huangpu, Guangdong via Hong Kong.



Suspected counterfeit handbags, suitcases, wallets and accessories seized

June 2020

- To further enhance the professional standard of Customs induction programmes and encourage in-service education, the Department entered into two Memoranda of Understanding with the Open University of Hong Kong and City University of Hong Kong respectively on 11 and 19 June for establishing academic cooperation and credit exemption arrangement.



The Commissioner of Customs and Excise, Mr Hermes Tang (right), signed a Memorandum of Understanding with the President of the Open University of Hong Kong, Professor Wong Yuk-shan (left), on 11 June 2020 to enhance professional training for new trainee Inspectors and Customs Officers.

- The Department participated in the virtual meeting of the 135th/136th Sessions of the Customs Co-operation Council of the World Customs Organization (WCO).



Head of Customs Affairs and Co-operation, Mr Wong Jug-tung, attended the virtual meeting of the 135th/136th Sessions of the Customs Co-operation Council of the WCO.

- With effect from 24 June 2020, e-application for the “Certificate of Non-manipulation” under the Free Trade Agreement Transhipment Facilitation Scheme (FTA Scheme) was available on the Trade Single Window (TSW). Through the TSW platform, traders could make online submission of FTA applications, check the process status, pay the fees and receive an e-copy of the “Certificate of Non-manipulation”.
- Seized 8 million sticks of illicit cigarettes with a retail value of HK\$22 million in a metal shed in Yuen Long.



Illicit cigarettes were seized in a metal shed in Yuen Long.

- Seized 7.9 million sticks of illicit cigarettes with a retail value of HK\$21.3 million from a transshipment container at the Kwai Chung Container Terminal. The container was shipped from Vietnam by vessel to the Philippines via Hong Kong.



Illicit cigarettes were seized from a transshipment container at the Kwai Chung Container Terminal.

- Seized 24.8 million sticks of illicit cigarettes with a retail value of HK\$68.3 million in a metal shed in Sheung Shui. It was the largest illicit cigarette storage case detected by the Department in the past two decades.



Illicit cigarettes were seized in a metal shed in Sheung Shui.

- Seized 742 000 sticks of illicit cigarettes concealed inside a batch of electric grills with a retail value of HK\$2 million from a transshipment container destined for Australia from the Mainland.



Illicit cigarettes seized from a batch of electric grills in the container

- Seized 159 kg of fresh totoaba fish maws in styrofoam boxes mixed with frozen fish fillets with a retail value of HK\$25.44 million in a consignment arriving from the United States. Five persons were arrested. The case broke the records of totoaba fish maw seizure effected by the Department.



Record seizure of totoaba fish maws

- Seized a total of 211 139 kg of frozen meat with a retail value of HK\$8.3 million from two barges in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized 99 835 kg of frozen meat with a retail value of HK\$4 million from one barge in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized 250 885 kg of frozen meat with a retail value of HK\$8.8 million from one barge in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized a total of 702 894 kg of frozen meat with a retail value of HK\$24 million from one iron shell boat and six barges in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized a total of 17.28 kg heroin with a retail value of HK\$15 million concealed inside four cooker hoods in an express parcel from an inbound lorry at Lok Ma Chau Control Point.



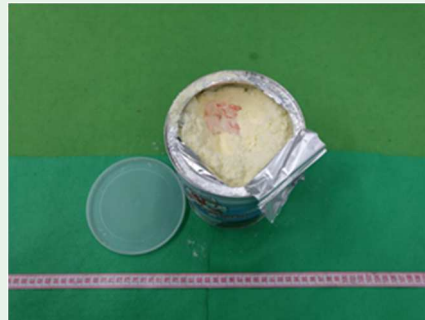
Heroin seized at Lok Ma Chau Control Point

- Seized 24.91 kg of cocaine camouflaged as fish food with a retail value of HK\$36.34 million in a consignment arriving from the Netherlands at the Airport and arrested one person.



Cocaine camouflaged as fish food

- Seized 21 kg of cocaine concealed inside 42 powdered formula cans with a retail value of HK\$24 million in an inbound consignment arriving from the Netherlands at the Airport. One person was arrested in Yau Tong.



21 kg of cocaine concealed inside the powdered formula cans (part of the seizure)

- Seized 10 kg of cocaine concealed inside the false compartments of the seatbacks of unassembled office chairs with a retail value of HK\$10.08 million in a consignment arriving from the Netherlands at the Airport and arrested one person.



Cocaine concealed inside seatbacks of unassembled office chairs

- Seized 5.7 kg of heroin camouflaged as instant drink powder and mingled with assorted food items with a retail value of HK\$8.31 million in a consignment arriving from Malaysia at the Airport.



Heroin camouflaged as instant drink powder

- Seized 3.6 kg of heroin concealed inside ten plastic bottles with a retail value of HK\$3.08 million in an inbound parcel arriving from Malaysia at the Airport. One person was arrested in Kwai Chung.



3.6 kg of heroin concealed inside the plastic bottles (part of the seizure)

- Seized 1.6 kg of ketamine and 300 gm of crack cocaine with a retail value of HK\$1.3 million inside a premises in Lai Chi Kok with packaging paraphernalia.



1.6 kg of ketamine, 300 gm of crack cocaine and packaging paraphernalia were seized (part of the seizure).

- Conducted an operation and seized 3 000 pieces of suspected counterfeit goods, including handbags, watches and clothes, with a retail value of HK\$1.4 million. One person was arrested in a mobile hawker stall in Kowloon Bay and an associated storage in Mong Kok was raided.



Counterfeit goods, including handbags, watches and clothing were seized.

- Conducted an operation in Man Kam To Control Point seized about 3 300 numbers of suspected counterfeit goods, including mobile phones and accessories, clothing and shoes, with a retail value of HK\$3.2 million from an incoming cross-boundary container truck.



Suspected counterfeit goods, including mobile phones and accessories, clothing and shoes seized

- Seized 5 890 550 surgical masks with false claim on the manufacturer with a retail value of HK\$23 million.



Surgical masks with false claim on manufacturer seized

July 2020

- Jointly organised by the City University of Hong Kong (CityU) Veterinary Medical Centre and the Jockey Club College of Veterinary Medicine and Life Sciences of CityU, a Canine Breeding Training Programme was tailor-made for the Customs Canine Force (CCF) in early July. The training programme was CityU's first pilot canine breeding course for local law enforcement agencies. Ten officers from the CCF attended a one-week training programme to acquire knowledge in various areas including advanced breeding techniques, selection of breeding methods, dog pregnancy, dog midwifery, nutrition as well as puppy care. The co-operation with CityU served as a good chance to equip Customs officers with comprehensive canine breeding skills and to get prepared for receiving the first batch of working dogs bred in-house.



The Commissioner of Customs and Excise, Mr Hermes Tang, spoke at the certificate presentation ceremony of the Canine Breeding Training Programme at the Customs Headquarters Building.

- A new dedicated breeding centre under the CCF was set up and started its operation at the Hong Kong-Zhuhai-Macao Bridge Dog Base in February this year. After months of dedication and deep-hearted care, the first batch of six Labradors bred entirely on the Department's own were born on July 25 2020. This is a particularly encouraging breakthrough in the Department's history since detector dogs were introduced in 1975. The successful in-house breeding ensures stable canine supply for the team's development. The CCF will design the training programme for the self-bred puppies. They will start to perform sniffing duties when they reach a suitable age and pass the assessments required.



The Assistant Commissioner of Customs and Excise (Boundary and Ports), Ms Ida Ng (back row, centre), in a picture with six puppies and their mother Fifi (front row, first right) and father Cooper (front row, first left).



The birth of the first batch of six self-bred Labrador puppies was a particularly encouraging breakthrough. Photo shows two of the puppies born at the newly built breeding centre.

- Seized 10 million sticks of illicit cigarettes with a retail value of HK\$27 million from a transshipment container at the Kwai Chung Container Terminal. The container was shipped from Singapore by vessel to the Philippines via Hong Kong.



Illicit cigarettes were seized from a transshipment container at the Kwai Chung Container Terminal.

- Seized 2.4 million sticks of illicit cigarettes declared as “Fresh Dragon Fruit” with a retail value of HK\$6.7 million from an inbound reefer container arriving from Vietnam. The illicit cigarettes were mix-loaded with other declared cargoes.



Illicit cigarettes mix-loaded with other declared cargoes

- Seized a total of 560 litres light diesel oil and the subject vehicle with a retail value of HK\$0.3 million from an inbound goods vehicle at Sha Tau Kok Control Point.



Diesel oil seized at Sha Tau Kok Control Point

- Seized 13.98 kg of cocaine camouflaged as coffee beans with a retail value of HK\$14.17 million in two parcels arriving from the United Kingdom at the Airport.



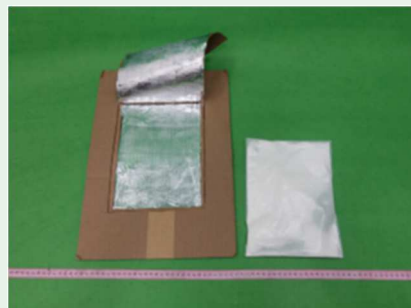
Cocaine camouflaged as coffee beans

- Seized 2.49 kg of cocaine concealed inside water filters with a retail value of HK\$4.02 million in a parcel arriving from Germany at the Airport.



Cocaine concealed inside water filters

- Seized 2.1 kg of cocaine concealed inside the inner layers of 14 pieces of the compartment cardboard in a batch of paper boxes with a retail value of HK\$2.1 million in an inbound consignment arriving from Brazil at the Airport. One person was arrested in Hung Hom.



2.1 kg of cocaine concealed inside the inner layers of the cardboard (part of the seizure)

- Seized 2 kg of cocaine concealed inside toy parts with a retail value of HK\$2.92 million in a consignment arriving from the United States at the Airport.



Cocaine concealed inside toy parts

- Seized 1.5 kg of cocaine concealed inside polystyrene beads with a retail value of HK\$1.53 million in a consignment arriving from Brazil at the Airport.



Cocaine concealed inside polystyrene beads

- Seized 1.1 kg of heroin concealed inside shoes rack parts with a retail value of HK\$1.6 million in an inbound parcel arriving from Malaysia at the Airport.



1.1 kg of heroin concealed inside the shoes rack parts (part of the seizure)

August 2020

- The opening ceremony for cargo clearance service at Heung Yuen Wai Boundary Control Point was held on 26 August 2020 and the cargo clearance service commenced operation at 4pm on the same day.



The Secretary of the CPC Guangdong Provincial Committee, Mr Li Xi (seventh left); the Chief Executive, Mrs Carrie Lam (seventh right), and other officiating guests attended the opening ceremony for cargo clearance service at Heung Yuen Wai Boundary Control Point on 26 August 2020.

- The Department had a Virtual Liaison Officers' Meeting with the Macao Customs Service (MCS).



Head of Customs Affairs and Co-operation, Mr Wong Jug-tung (centre), led a delegation to attend a virtual meeting with the liaison officers of the MCS.

- With effect from 1 August 2020, benefits to the Hong Kong Authorized Economic Operators (AEOs) have been upgraded to include a prioritized processing time, i.e. within one working day upon submission of the required documents, for their applications under the Free Trade Agreement Transshipment Facilitation (FTA) Scheme.



Benefits to AEOs have been extended to FTA Scheme since August 2020.

- Seized 9 million sticks of illicit cigarettes with a retail value of HK\$24.8 million from a transshipment container at the Kwai Chung Container Terminal. The container was shipped from Vietnam by vessel to Chile via Hong Kong.



Illicit cigarettes were seized from a transshipment container at the Kwai Chung Container Terminal.

- Seized 619 200 sticks of illicit cigarettes with a retail value of HK\$1.7 million from a cross-boundary lorry at Shenzhen Bay Control Point. The cigarettes were concealed inside the cavity of 516 speakers on board the vehicle.



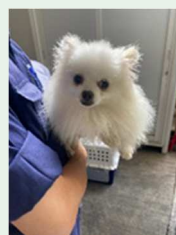
Illicit cigarettes were concealed inside the cavity of the speakers on board an incoming lorry at Shenzhen Bay Control Point.

- Seized 28 kg of dried fish maws, 63 litres of liquor, 875 numbers of health products, 5 754 electronic products, 982 numbers and 115 kg of cosmetics, 665 numbers and 85 kg of assorted branded clothing and accessories and a light goods vehicle with a retail value of HK\$7.6 million in a joint operation with the Marine Police against sea smuggling off Tuen Mun.



Dried fish maws, health products, liquor, electronic products, cosmetics, assorted branded clothing and accessories seized in the joint operation

- Seized 12 live dogs, 276 169 numbers of cosmetics, 1 264 865 electronic products, 324 numbers of branded goods, 8.5 kg of pearls, 15 920 tablets of pharmaceutical products, 256 kg of dried abalones, 312.25 litres of liquor, 7.6 kg of ginseng, 7 kg of bird's nests, a medium goods vehicle and a speedboat with a retail value of HK\$37 million in a joint operation with the Marine Police against sea smuggling in Mui Wo.



Dogs and pearls seized in the joint operation

- Conducted an anti-smuggling operation at sea and smashed a cross-boundary frozen meat smuggling and money laundering syndicate, with 15 persons arrested. The total value of seized frozen meat as well as assets to be frozen in the case was about HK\$190 million.



Seized frozen meat, cash, gold bars, gold ornaments, jewellery and watches

- Seized 17.76 kg of cocaine concealed inside the tubing of hoses with a retail value of HK\$18.13 million in a consignment arriving from South Africa at the Airport.



Cocaine concealed inside the tubing of hoses

- Seized 60 kg of cannabis buds concealed inside metal cabinets with a retail value of HK\$17.1 million in a consignment arriving from the United States at the Airport and arrested one person.



Cannabis buds concealed inside metal cabinets

- Seized 11 kg of cocaine in 10 blocks mingled with boxes of pastry with a retail value of HK\$11.23 million in an inbound consignment arriving from Malaysia at the Airport. One person was arrested in Shatin.



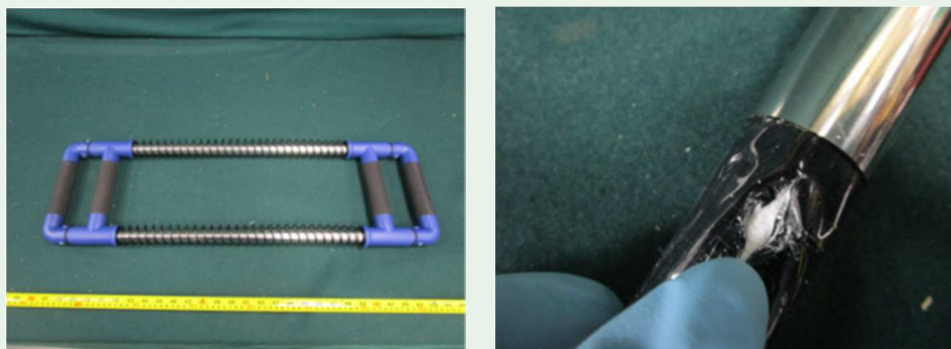
11 kg of cocaine mingled with boxes of pastry (part of the seizure)

- Seized 10.05 kg of heroin concealed inside hollow door handles with a retail value of HK\$8.55 million in two consignments arriving from Malaysia at the Airport.



Heroin concealed inside hollow door handles

- Seized 10.29 kg of ketamine concealed inside fitness equipment with a retail value of HK\$5.17 million in five parcels arriving from Belgium at the Airport.



Ketamine concealed inside fitness equipment

- Seized 6.96 kg of cocaine concealed inside three speakers with a retail value of HK\$12.39 million in an inbound parcel arriving from Malaysia at the Airport.



6.96 kg of cocaine concealed inside the speakers (part of the seizure)

- Seized 2 kg of cocaine concealed inside 12 door handles with a retail value of HK\$3.56 million in an inbound parcel arriving from Malaysia at the Airport.



2 kg of cocaine concealed inside 12 door handles (part of the seizure)

- Mounted a joint operation with the Anti-Smuggling Bureau of Shenzhen Customs and the Anti-Smuggling Bureau of Guangzhou Customs resulting in the seizure of 84 kg of methamphetamine and the arrest of 13 persons in Guangzhou. As a result of follow up investigation, about two tons of methyl-2-phenylacetoacetate, a raw material for manufacturing of methamphetamine, were further seized and one person was arrested in Foshan.

September 2020

- The Department had a Virtual Liaison Officers' Meeting with the Guangdong Sub-Administration of the General Administration of Customs.



Head of Customs Affairs and Co-operation, Mr Wong Jug-tung (centre), led a delegation to attend a virtual meeting with the liaison officers of the Guangdong Sub-Administration of the General Administration of Customs.

- Smashed a large-scale money laundering syndicate, with arrests of a family of five, a money changer and a director of a local trading company. The amount involved in the case was over HK\$3.4 billion. A total of HK\$30 million of assets were frozen and the MSO licence of the money changer was suspended.



Seized banking security authentication tokens and signed cheque books

- Seized 23.4 million sticks of illicit cigarettes with a retail value of HK\$64.4 million in two metal sheds in Tuen Mun and Yuen Long.



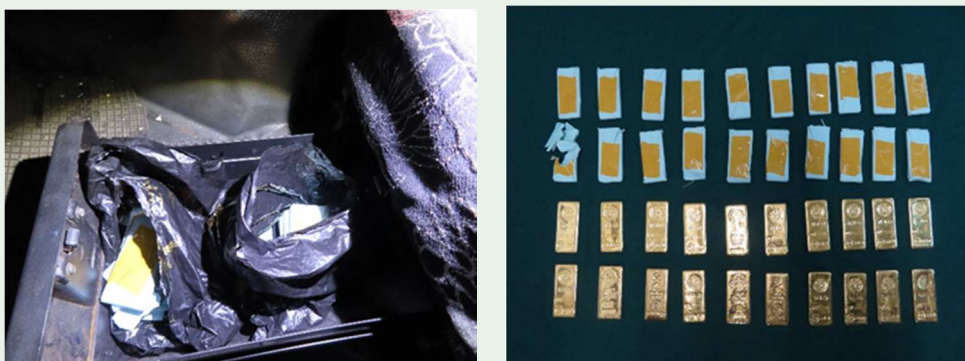
Illicit cigarettes were seized in two metal sheds in Tuen Mun and Yuen Long.

- Seized 7.7 million sticks of illicit cigarettes with a retail value of HK\$21.2 million in a metal shed in Yuen Long.



Illicit cigarettes were seized in a metal shed in Yuen Long.

- Seized a total of 20 kg gold bullion with a retail value of HK\$9.6 million from an inbound lorry at Lok Ma Chau Control Point.



Gold bullion seized at Lok Ma Chau Control Point

- Seized a total of 10 kg gold slab with a retail value of HK\$4.68 million from an inbound lorry at Man Kam To Control Point.



Gold slab seized at Man Kam To Control Point

- Seized 660 unmanifested mobile phones and 10 unmanifested notebook computers with a retail value of HK\$3.3 million from an outgoing container truck at Lok Ma Chau Control Point.



Unmanifested mobile phones and notebook computers seized from an outgoing container truck at Lok Ma Chau Control Point

- Seized 631 kg of dried abalones, 84 kg of bird's nests, 72 litres of liquor, 2.76 kg of cigars, 340 kg of Hamedi Saffron, 445 kg of health products, 22 114 electronic products, 3 974 numbers of cosmetics, 32 pieces of paintings, 2 174 numbers of assorted branded handbags, clothing and accessories, a fishing vessel and a speedboat with a retail value of HK\$15 million in a joint operation with the Marine Police against sea smuggling off Chek Lap Kok.



Dried abalones, bird's nests, liquor, cigars, Hamedi Saffron, health products, electronic products, cosmetics, paintings, assorted branded handbags, clothing and accessories seized in the joint operation

- Seized 1 tonne of pangolin scales and 13.35 kg of dried snake galls declared as “Frozen Fish” with a retail value of HK\$6.3 million from an inbound container arriving from Indonesia.



Pangolin scales and snake galls seized from an inbound container at Kwai Chung Customhouse

- Seized a total of 230 979 kg of frozen meat with a retail value of HK\$8 million from one iron shell boat and two barges in an operation against sea smuggling in the waters off Chek Lap Kok.



Frozen meat seized in the operation

- Seized 31 kg of liquid cocaine in red wine bottles from an inbound consignment arriving from the United States at the Airport and further seizure of 0.91 kg of ketamine and 0.52 kg of methamphetamine with a total retail value of HK\$45.3 million and the arrest of one person in Yau Ma Tei.



31 kg of liquid cocaine concealed inside the red wine bottles (part of the seizure)

- Seized 15.2 kg of liquid cocaine camouflaged as red wine with a retail value of HK\$24.56 million from a passenger arriving from Brazil via Qatar at the Airport.



Liquid cocaine camouflaged as red wine

- Seized 13.56 kg of cocaine concealed inside metal parts with a retail value of HK\$19.78 million in two consignments arriving from Trinidad and Tobago at the Airport.



Cocaine concealed inside metal parts

- Seized 9.73 kg of methamphetamine camouflaged as health supplements with a retail value of HK\$5.26 million in a parcel arriving from Pakistan at the Airport.



Methamphetamine camouflaged as health supplements

- Seized 7.7 kg of cocaine concealed inside seven cookie boxes with a retail value of HK\$11 million in an inbound consignment arriving from Europe at the Airport. One person was arrested in Kwai Chung.



7.7 kg of cocaine concealed inside the cookie boxes (part of the seizure)

- Seized 7.04 kg of cocaine concealed inside the frames of pictures with a retail value of HK\$10.27 million in a consignment arriving from the United Arab Emirates at the Airport.



Cocaine concealed inside frames of pictures

- Seized 1.1 kg of cocaine concealed inside the metal parts of a water purifier with a retail value of HK\$1.6 million in an inbound consignment arriving from Panama at the Airport. One person was arrested in Tai Kok Tsui.



1.1 kg of liquid cocaine concealed inside the metal parts of a water purifier

- Seized a total of 800 g cocaine with a retail value of HK\$1.2 million concealed in three numbers of black metal screw of an express parcel from an inbound lorry at Lok Ma Chau Control Point.



Cocaine seized at Lok Ma Chau Control Point

- Seized a total of 11,520 bottles of health supplements with suspected false trade origin with a retail value of HK\$6.46 million from an inbound lorry at Man Kam To Control Point.



Health supplements with suspected false trade origin seized at Man Kam To Control Point

- Conducted a joint operation with the Mainland and Macao Customs against the smuggling of counterfeits to overseas countries. About 30 000 pieces of suspected counterfeit goods including, handbags, footwear, clothing, mobile phones and accessories with a retail value of HK\$5.5 million were seized.



Suspected counterfeit products seized in the joint operation

- Seized a total of 829 items of suspected counterfeit mobile phones with a retail value of about \$2.3 million in total at a devanning area in Kwai Chung and a storehouse in To Kwa Wan. One person was arrested.



Suspected counterfeit mobile phones and accessories seized in the operation

- Conducted an operation against online sale of counterfeit goods through live webcasts on social media. Seized about 2 000 items of accessories, including earrings, hair ornaments and scarfs, with a retail value of HK\$0.1 million. Two persons were arrested.



Suspected counterfeit accessories seized in the operation

October 2020

- The Department participated in the virtual 2nd meeting of the Asia Pacific Economic Co-operation (APEC) Sub-Committee on Customs Procedures (SCCP).



Assistant Commissioner of Customs and Excise (Excise and Strategic Support), Mr Jimmy Tam (left), led a delegation to attend the virtual 2nd meeting of the APEC SCCP.

- No. 82 Assistant Trade Controls Officer Induction Course commenced. It is the first batch of probationary ATCOs trained under the accredited programme at Qualifications Framework Level 5.



Head of Trade Declaration and Systems Bureau Ms. Josephine Au (front row, sixth right) and Course Master Mr. Roy Ng (front row, sixth left), with the trainees on the first day of the No.82 Assistant Trade Controls Officer Induction Course

- As a measure to support businesses in view of the impact of COVID-19, the service fees payable (including the documentary processing fee and Customs supervision service fee) under the FTA Scheme were waived for one year with effect from 1 October 2020.
- Seized 6.1 million sticks of illicit cigarettes with a retail value of HK\$16.6 million in a metal shed in Ta Kwu Ling.



Illicit cigarettes were seized in a metal shed in Ta Kwu Ling.

- Seized 19 000 sticks of illicit cigarettes and 764 smuggled smart electronic products with a total retail value of HK\$2.1 million from a cross-boundary lorry at Shenzhen Bay Control Point.



Illicit cigarettes and smuggled smart electronic products seized from an incoming lorry at Shenzhen Bay Control Point.

- Seized 9.7 tonnes of red sandalwood with a retail value of HK\$6 million from a transshipment container destined for the Mainland from the United Arab Emirates.



Red sandalwood seized from a transshipment container at Kwai Chung Customhouse

- Seized a total of 328 208 kg of frozen meat and 3 566 kg of fruit with a retail value of HK\$26 million from one iron shell boat and three barges in an operation against sea smuggling in the waters off Lung Kwu Chau.



Frozen meat and fruits seized in the operation

- Seized 500 kg of methamphetamine inside 251 bags of cement in a transshipment consignment with a retail value of HK\$300 million arriving from Vietnam in transit to Australia at the Tsing Yi Customs Cargo Examination Compound.



500 kg of methamphetamine found inside 251 bags of cement in a transshipment consignment

- Seized 12.13 kg of cocaine concealed inside metal parts with a retail value of HK\$21.59 million in two consignments arriving from the Guinea at the Airport.



Cocaine concealed inside metal parts

- Seized 10.57 kg of liquid cocaine camouflaged as red wine with a retail value of HK\$17.08 million from two passengers arriving from Turkey via Germany at the Airport.



Liquid cocaine camouflaged as red wine

- Seized 17.57 kg of methamphetamine concealed inside car bonnets with a retail value of HK\$10.45 million in two transshipment consignments arriving from Thailand and destined to Australia at the Airport.



Methamphetamine concealed inside car bonnets

- Seized 5.39 kg of heroin concealed inside sculptures with a retail value of HK\$10.32 million in a consignment arriving from Singapore at the Airport.



Heroin concealed inside sculptures

- Seized 2.28 kg of cocaine concealed inside linings of handbags with a retail value of HK\$3.69 million in a consignment arriving from Guinea at the Airport.



Cocaine concealed inside linings of handbags

- Seized 2.2 kg of cocaine concealed in the hidden compartment of a suitcase with a retail value of HK\$3.9 million from an incoming passenger arriving from the United Arab Emirates via Ethiopia at the Airport.



2.2 kg of cocaine concealed in the hidden compartment (part of the seizure)

- Seized 2.83 kg of methamphetamine with a retail value of HK\$1.68 million concealed inside advertising discs and recreational machines in two outbound parcels originating from Malaysia via Hong Kong to Australia at SF Express Centre, Tsing Yi.



2.83 kg of methamphetamine found concealed inside advertising discs and recreational machines

- Seized 16.3 kg of cannabis buds concealed inside 16 energy bar packing boxes with a retail value of HK\$3.8 million in an inbound parcel arriving from Canada at the Airport. One person was arrested in Tuen Mun.



16.3 kg of cannabis buds concealed inside the energy bar packing boxes

- Conducted an operation against sale of pirated electronic games. Raided 13 retail shops and 2 storage facilities with the seizure of 173 sets of game consoles preloaded with suspected pirated electronic games and 97 numbers of suspected counterfeit memory cards with a retail value of HK\$0.3 million. Fifteen persons were arrested.



Suspected infringing electronic game consoles seized in the operation

- Seized 26 000 numbers of suspected counterfeit and smuggled goods, including watches, mobile phones, handbags and shoes, with a retail value of HK\$2.6 million from an inbound container from Nansha, Guangdong.



Suspected counterfeit and smuggled goods, including watches, mobile phones, handbags and shoes

November 2020

- The Department participated in the virtual 21st WCO Asia/Pacific Regional Heads of Customs Administration (A/P RHCA) Conference.



Assistant Commissioner of Customs and Excise (Excise and Strategic Support), Mr Jimmy Tam (left), led a delegation to attend the virtual 21st WCO A/P RHCA Conference.

- Seized 4 kg of suspected smuggled gold with a retail value of HK\$2 million from an incoming lorry at Man Kam To Control Point.



Unmanifested gold seized from an incoming lorry at Man Kam To Control Point

- Seized a total of 162 numbers of diamond with a retail value of HK\$6.4 million from an outbound goods vehicle at Heung Yuen Wai Control Point.



Diamond seized at Heung Yuen Wai Control Point

- Seized 1.9 tonnes of dried shark fins with a retail value of HK\$1.5 million from an inbound container arriving from Indonesia.



Dried shark fins seized from an inbound container at Kwai Chung Customhouse

- Seized 20 kg of methamphetamine concealed inside ten sets of water filters with a retail value of HK\$ 13 million in four inbound parcels arriving from Thailand at the Airport. Two persons were arrested in Sham Shui Po and Tai Kok Tsui respectively.



20 kg of methamphetamine concealed inside water filters (part of the seizure)

- Seized 10.26 kg of methamphetamine concealed inside filter cartridges with a retail value of HK\$6.1 million in a transshipment consignment arriving from Thailand and destined to Australia at the Airport.



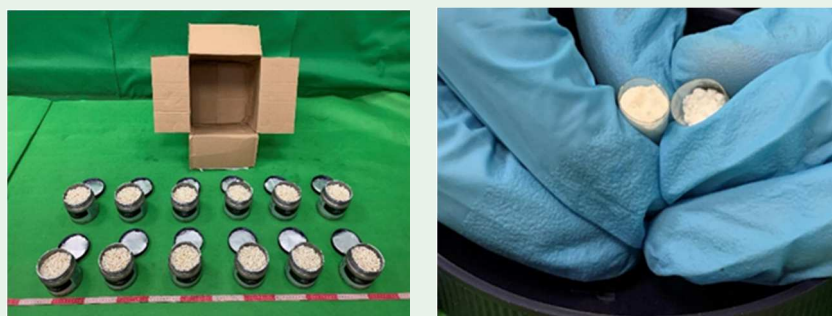
Methamphetamine concealed in filter cartridges

- Seized 6.91 kg of cocaine concealed inside two rolls of adhesive tape with a retail value of HK\$12.3 million in a consignment arriving from Guyana at the Airport.



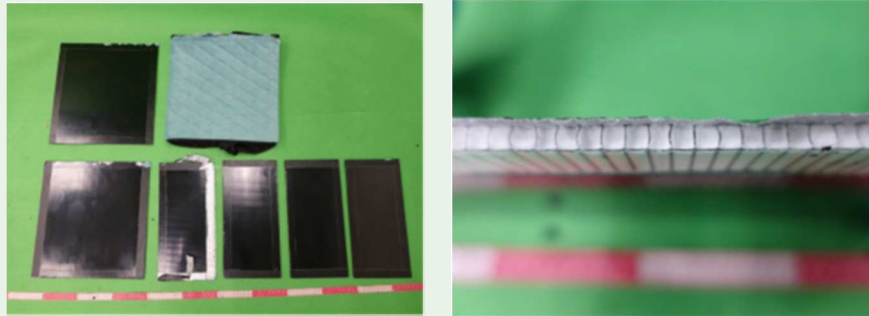
Cocaine concealed inside adhesive tapes

- Seized 2.9 kg of cocaine concealed inside 12 bottles of capsules with a retail value of HK\$ 5 million in an inbound parcel arriving from Belgium at the Airport. One person was arrested in Fanling.



2.9 kg of cocaine concealed inside 12 bottles of capsules

- Seized 4 kg of ketamine concealed inside 13 pieces of fibreboard with a retail value of HK\$2.5 million in an inbound parcel arriving from France at the Airport. One person was arrested in Ap Lei Chau.



4 kg of ketamine concealed inside the fibreboards (part of the seizure)

- Seized 83 000 numbers of suspected counterfeit sunglasses and mobile phone accessories with a retail value of HK\$3.4 million from a transshipment container destined for Nicaragua from Huangpu, Guangdong via Hong Kong.



Suspected counterfeit sunglasses and mobile phone accessories seized

December 2020

- The Department ratified the 12th Mutual Recognition Arrangement (MRA) on Authorized Economic Operator (AEO) with the Ministry of Finance and Public Credit of the United Mexican States in December 2020. Under the MRA, recognized AEOs of the two economies can enjoy reciprocal cargo customs clearance facilitation, including reduced examination and prioritized clearance.



The Department ratified the 12th AEO MRA with the Ministry of Finance and Public Credit of the United Mexican States in December 2020.

- The Department participated in the virtual meeting of the 137th Session of the Customs Co-operation Council of the WCO.



Assistant Commissioner of Customs and Excise (Excise and Strategic Support), Mr Jimmy Tam (centre), led a delegation to attend the virtual meeting of the 137th Session of the Customs Co-operation Council of the WCO.

- Rolled out a new youth programme “Customs YES” to extend the theme of youth activities from IPR protection to all aspects of Customs work.



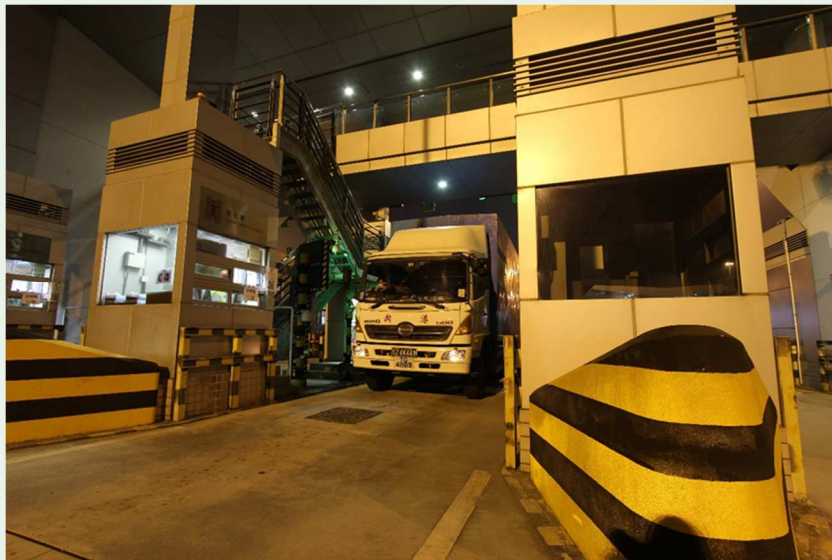
Posters and leaflets of Custom YES were sent to schools and NGOs

- In 2020, the number of clearance points under Single E-lock Scheme (SELS) in the Mainland increased from 52 to 63, covering all nine municipalities within the Greater Bay Area. Following the commissioning of the new Hong Kong International Airport Air Mail Centre, the number of clearance points in Hong Kong increased from 12 to 13 and it signifies SELS’s coverage from general cargo to postal items passing through Hong Kong. With the network’s expansion, SELS provides the trade with 819 cross-boundary route options.



SELS provides the trade with 819 routes for conveying transshipment cargo across the boundaries.

- Commissioned in July 2007 and providing clearance services between 6.30am and midnight, Shenzhen Bay Control Point (SBCP) was one of the major land boundary control points designed for passenger movement and freight land transport between Hong Kong and the Mainland to cope with the traffic demand and sustainable development of the two sides. Started from 10 December 2020, round-the-clock cargo clearance service has been made available at SBCP, marking a major step towards the “East in East out, West in West out” setting for the cross-boundary cargo traffic. Under the setting, those flows used to make their way through Lok Ma Chau, Man Kam To and Sha Tau Kok would be diverted to Heung Yuen Wai Boundary Control Point in the eastern front and SBCP in the western end, facilitating the increasing traffic brought about by the development of the Guangdong-Hong Kong-Macao Greater Bay Area. SBCP was the third land boundary control point that accommodated 24 hours’ passage of goods vehicles, following Lok Ma Chau Control Point and Hong Kong-Zhuhai-Macao Bridge Hong Kong Port.



The first goods vehicle entering Hong Kong via Shenzhen Bay Control Point under the new arrangement was an unladen goods vehicle. The vehicle crossed the control point at 00:00:38 on 10 December 2020, marking a significant start of its 24 hours operation following Lok Ma Chau Control Point and Hong Kong-Zhuhai Macao Bridge Hong Kong Port.

- Smashed a money laundering syndicate in which a money service operator (MSO) and an offshore company made suspicious remittance of HK\$880 million. Four persons were arrested, with the licensed MSO's bank balance of HK\$16 million frozen and its licence suspended.



Seized computers, mobile phones, banking security authentication tokens and chequebooks

- Seized 8 million sticks of illicit cigarettes with a retail value of HK\$22.1 million from a seaborne container in Yuen Long.



Illicit cigarettes were seized from a seaborne container in Yuen Long.

- Seized 12.3 million sticks of illicit cigarettes with a retail value of HK\$33.7 million in a commercial and industrial building in Kwun Tong.



Illicit cigarettes were seized in a commercial and industrial building in Kwun Tong.

- Seized a batch of suspected smuggled goods, including electronic products, high-value food, medicines and cosmetics, with a retail value of HK\$57 million in a joint operation with the Marine Police against sea smuggling in Sha Tau Kok.



Suspected smuggled goods seized in the operation

- Seized 8.12 kg of liquid cocaine camouflaged as red wine with a retail value of HK\$14.27 million in a consignment arriving from the United Kingdom at the Airport.



Liquid cocaine camouflaged as red wine

- Seized 7 kg of heroin concealed inside 14 drink powder packages with a retail value of HK\$10 million in an inbound parcel arriving from Malaysia at the Airport. One person was arrested in Tuen Mun.



7 kg of heroin concealed inside the drink powder packages (part of the seizure)

- Seized 5.22 kg of cocaine camouflaged as milk powder with a retail value of HK\$9.17 million in a parcel arriving from France at the Airport.



Cocaine camouflaged as milk powder

- Seized 4.03 kg of cocaine concealed inside boxes of shea butter with a retail value of HK\$7.08 million in a parcel arriving from South Africa at the Airport.



Cocaine concealed inside boxes of shea butter

- Seized 9.55 kg of methamphetamine concealed inside decoration scrolls with a retail value of HK\$6.32 million in a consignment arriving from Thailand at the Airport.



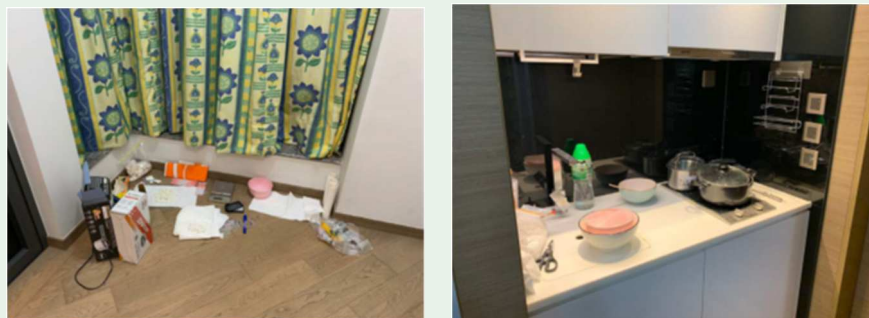
Methamphetamine concealed inside decoration scrolls

- Seized 15.95 kg of herbal cannabis concealed inside the metal parts of air dryers in an inbound parcel with a retail value of HK\$3.21 million arriving from Ghana at the Airport.



15.95 kg of herbal cannabis concealed inside the metal parts of the air dryers (part of the seizure)

- Seized 1 kg of crack cocaine, 0.5 kg of cocaine and 0.9 kg of phenacetin with a retail value of HK\$3.8 million inside a premises in Sham Shui Po with drug manufacturing and packaging paraphernalia.



1 kg of crack cocaine, 0.5 kg of cocaine, 0.9 kg of phenacetin and a batch of drug manufacturing and packaging paraphernalia were seized (part of the seizure).

- Conducted a joint operation with the Mainland and Macao Customs against the smuggling of counterfeits to overseas countries. About 18 000 pieces of suspected counterfeit goods including, handbags, footwear, clothing, mobile phones and accessories with a retail value of HK\$2.3 million were seized.



Suspected counterfeit products seized in the joint operation

- Seized 63 000 numbers of suspected counterfeit and smuggled goods, including shoes, clothing, mobile phones and accessories, with a retail value of HK\$5.7 million from an inbound container from Nansha, Guangdong.



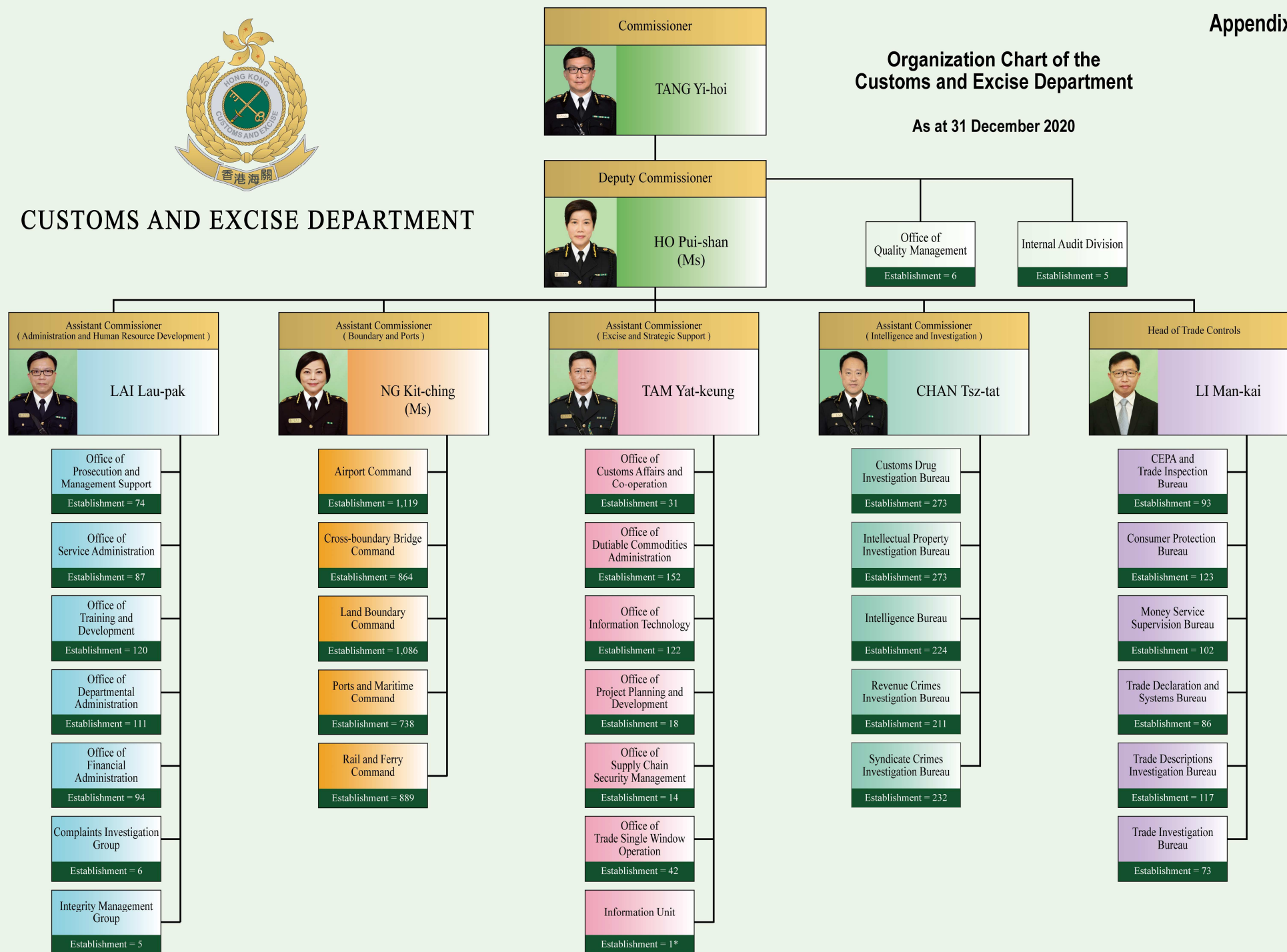
Suspected counterfeit and smuggled goods, including footwear, clothing, mobile phones and accessories seized



CUSTOMS AND EXCISE DEPARTMENT

Organization Chart of the Customs and Excise Department

As at 31 December 2020



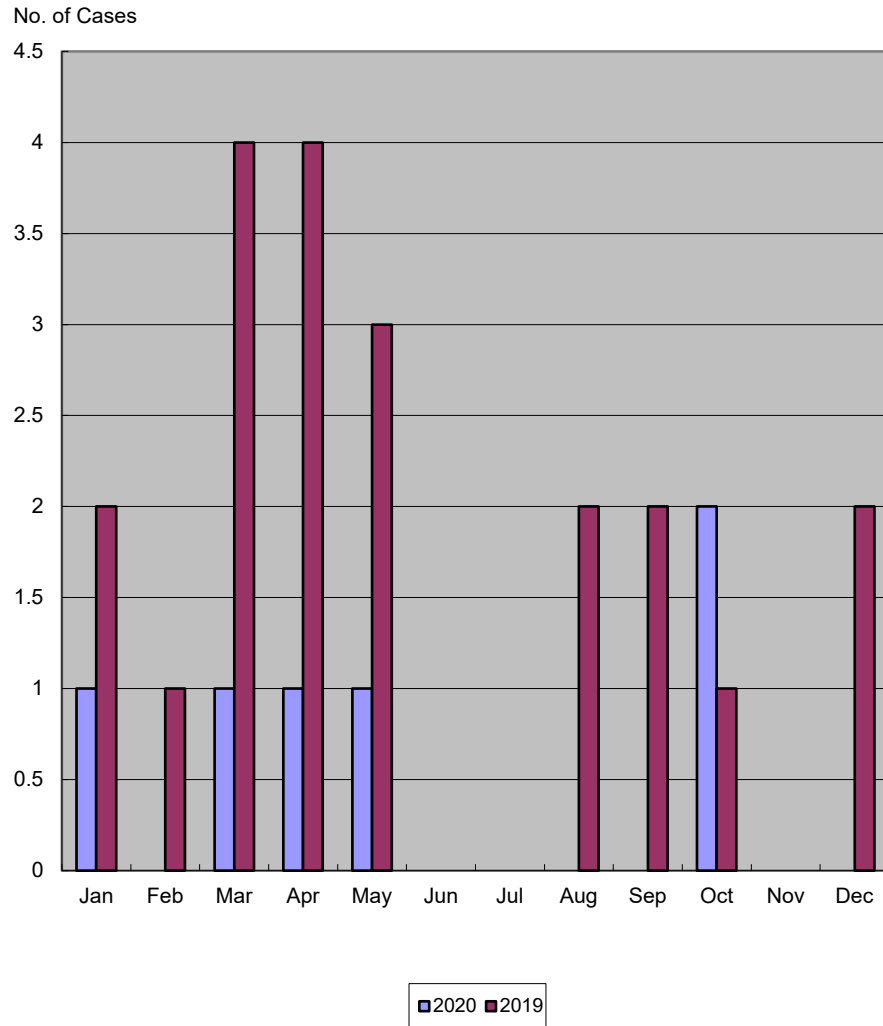
*Excluding 3 posts on loan from Information Services Department

Establishment and Strength Position

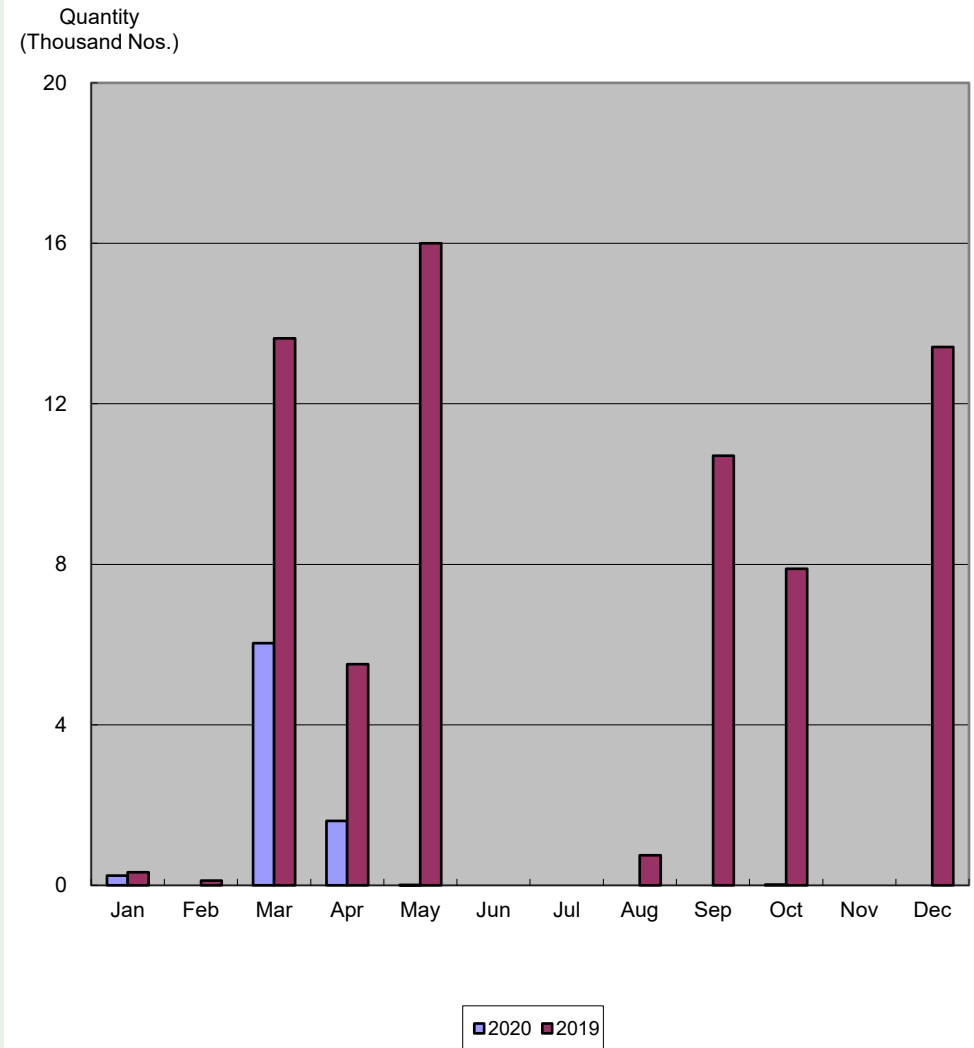
Category/Grade	2019		2020	
	(as at 31 December 2019)		(as at 31 December 2020)	
	Establishment (No.)	Strength (No.)	Establishment (No.)	Strength (No.)
Directorate Posts	9	7	9	5
Sub-total	9	7	9	5
Departmental Grades				
Superintendent/Inspector of Customs and Excise Grades	1,115	1,054	1,158	1,075
Customs Officer Grade	4,981	4,967	5,023	4,981
Trade Controls Officer Grade	511	462	534	474
Sub-total	6,607	6,483	6,715	6,530
General and Common Grades				
Executive Officer/Training Officer Grades	30	30	31	31
Treasury Accountant/Accounting Officer Grades	14	14	18	18
Official Languages Officer/Calligraphist Grades	20	20	20	20
Statistician/Statistical Officer Grades	5	5	5	5
Secretarial Grades	36	37	37	37
Clerical Grades	301	288	301	277
Supplies Grades	58	58	58	59
Others	206	188	209	201
Sub-total	670	640	679	648
Total	7,286	7,130	7,403	7,183

Statistics on Infringing Optical Disc Cases

No. of Infringing Optical Disc Cases (2020 vs 2019)

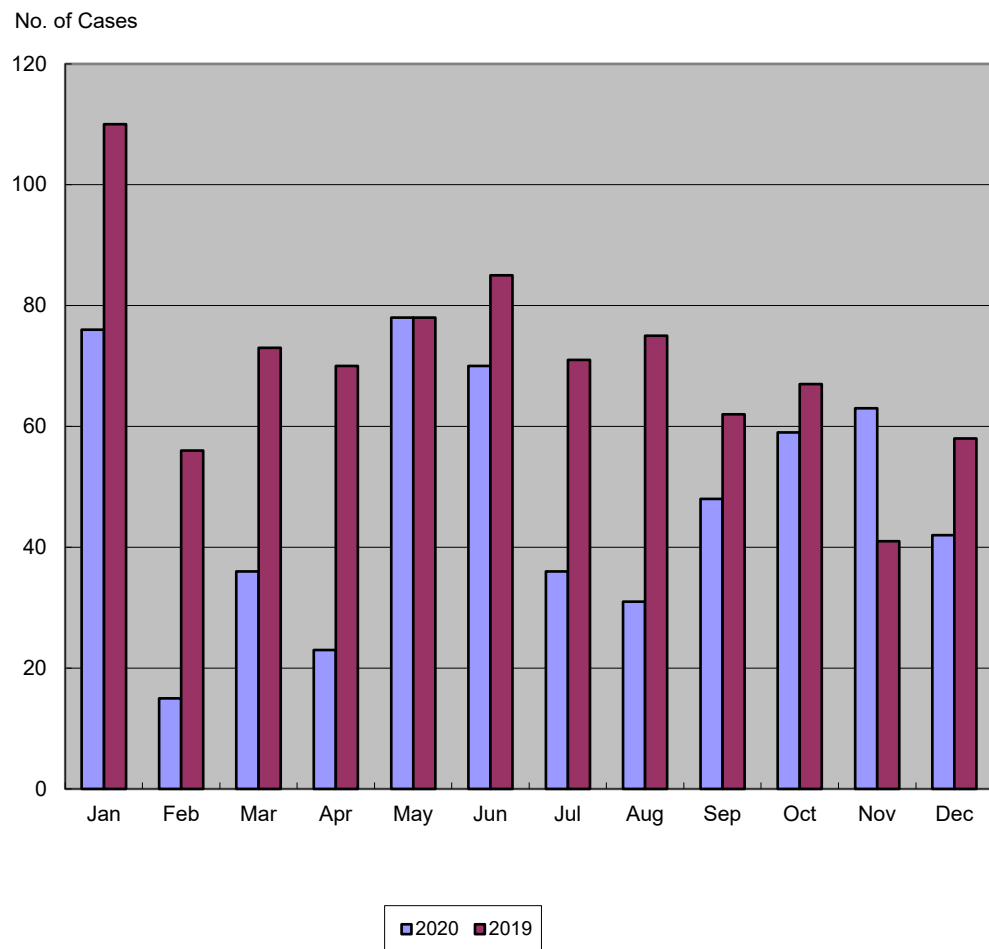


Quantity of Infringing Optical Disc Seized (2020 vs 2019)

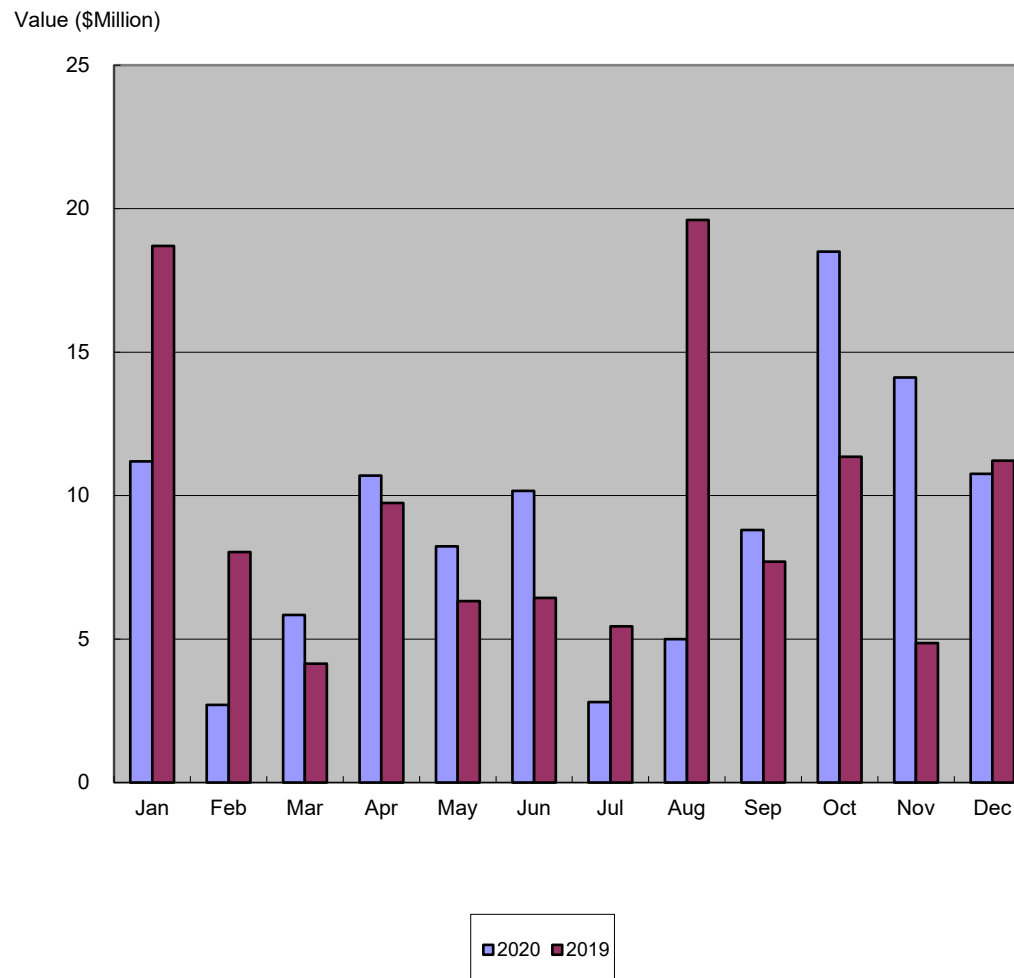


Statistics on Forged Trademark Cases

No. of Forged Trademark Cases (2020 vs 2019)

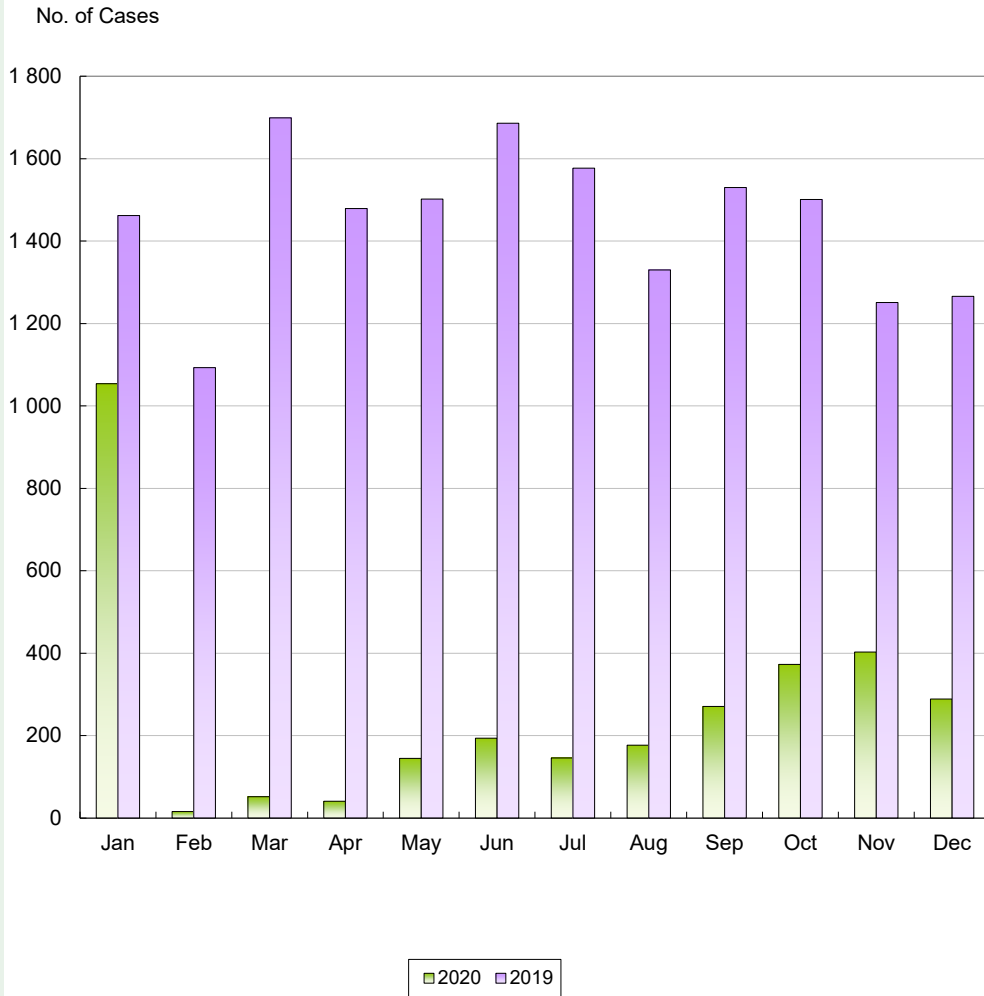


Value of Forged Trademark Goods Seized (2020 vs 2019)

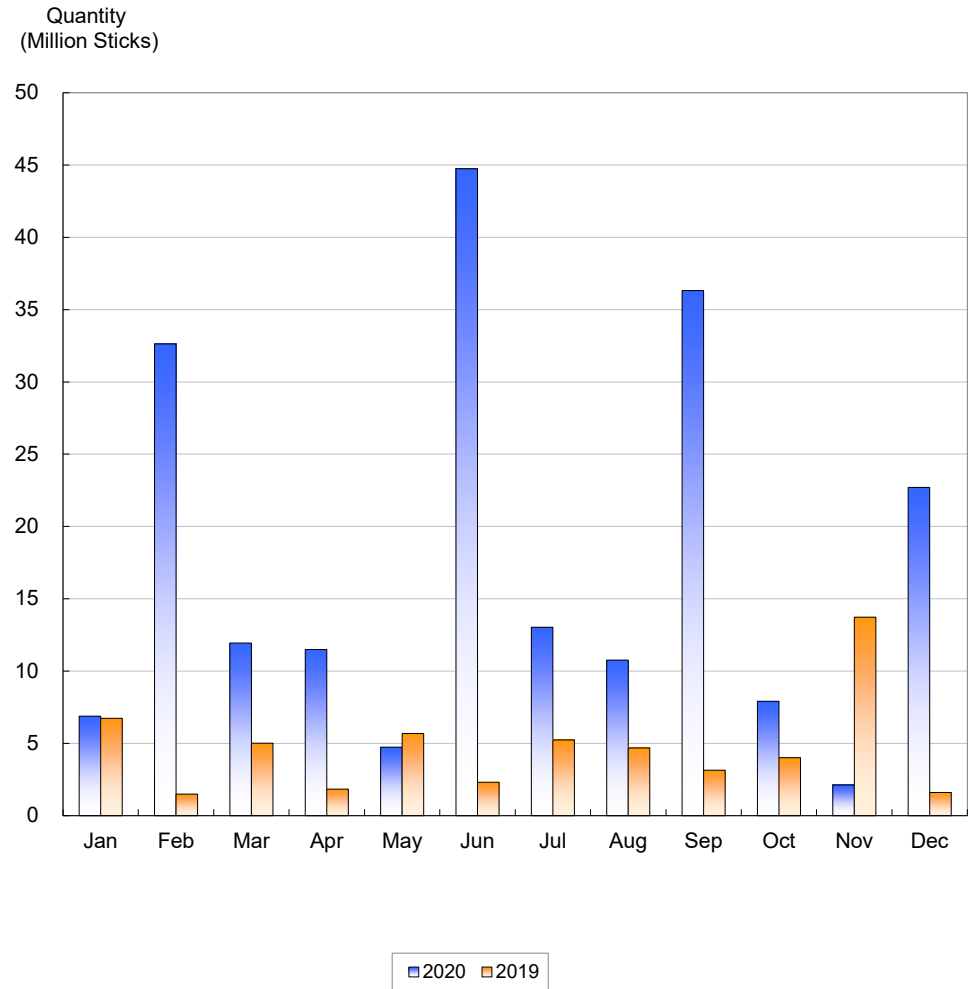


Result of Anti-cigarette Smuggling Operations

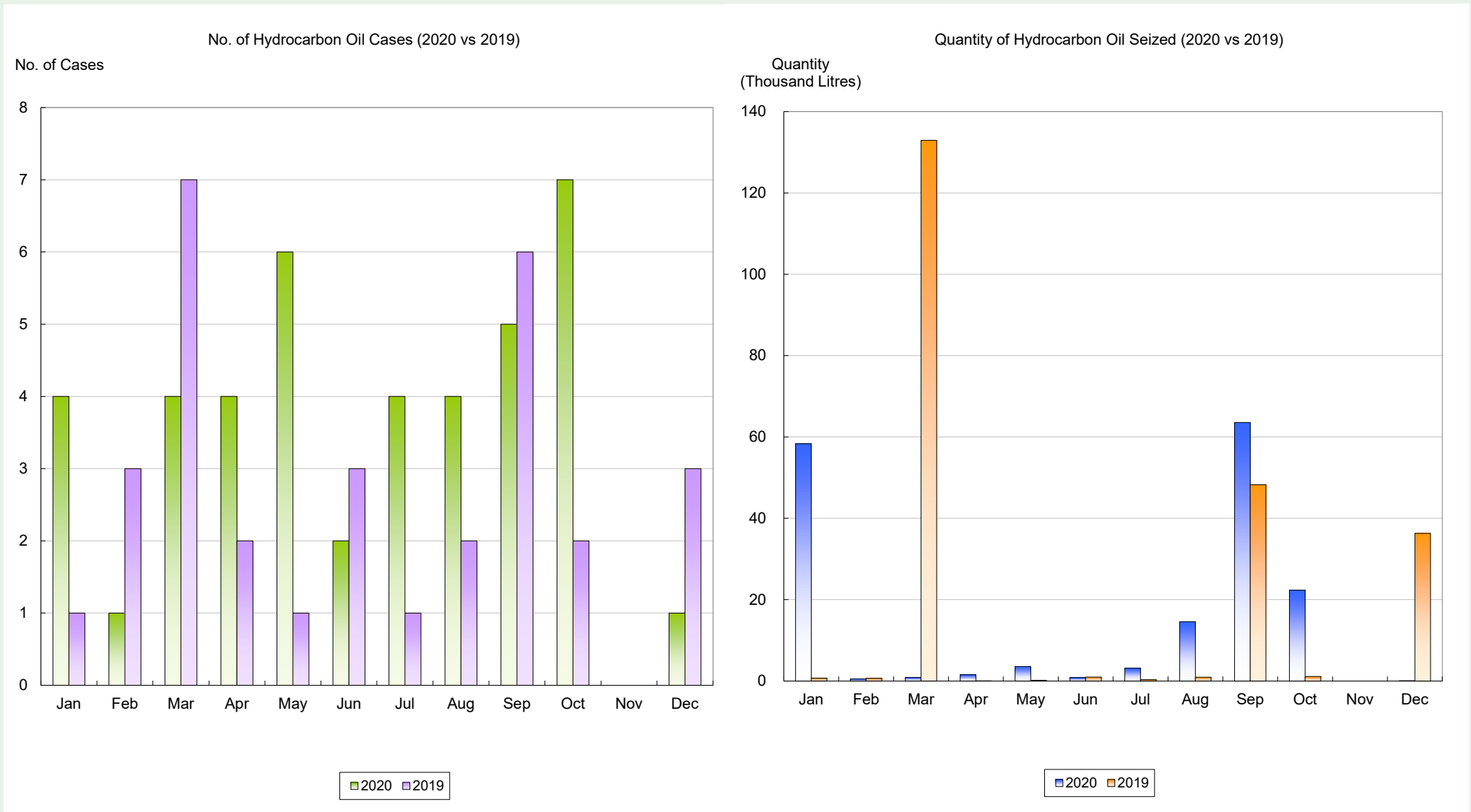
No. of Cigarette Smuggling Cases (2020 vs 2019)



Quantity of Smuggled Cigarettes Seized (2020 vs 2019)



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	Trade Marks Ordinance	Cap. 559
50	Broadcasting Ordinance	Cap. 562
51	United Nations (Anti-Terrorism Measures) Ordinance	Cap. 575
52	Chemical Weapons (Convention) Ordinance	Cap. 578
53	Prevention of Child Pornography Ordinance	Cap. 579
54	Protection of Endangered Species of Animals and Plants Ordinance	Cap. 586
55	Interception of Communications and Surveillance Ordinance	Cap. 589
56	Food Safety Ordinance	Cap. 612
57	Anti-Money Laundering and Counter-Terrorist Financing Ordinance	Cap. 615
58	Companies Ordinance	Cap. 622
59	Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance	Cap. 629
60	Conservation of Antarctic Marine Living Resources Ordinance	Cap. 635

Actual revenue for 2019-20 and 2020-21

	Actual Revenue	
	2019-20	2020-21
	HK\$'000	HK\$'000
Duties		
Hydrocarbon Oils	3,768,886	3,669,462
Tobacco	7,048,893	7,624,032
Alcoholic Beverages	563,954	552,926
Other Alcoholic Products	8,846	5,536
Sub-total	11,390,579	11,851,956
Fees charged under Dutiable Commodities Ordinance		
Licence Fees	5,860	5,483
Attendance Fees	447	205
Denaturing Fees	263	259
Storage Fees	1	0
Sub-total	6,571	5,947
Trade Declaration Charges		
Imports and Exports Declaration Charges	430,203	430,253
Clothing Levy Service Charges (see Note)	49	51
Penalties	64,901	57,489
Sub-total	495,153	487,793
Miscellaneous	82,014	38,867
Total	11,974,317	12,384,563

Note : Clothing Industry Training Levy collected on behalf of the
Clothing Industry Training Authority

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Actual expenditure for 2019-20 and 2020-21

	Actual Expenditure	
	2019-20	2020-21
	HK\$'000	HK\$'000
Operating Account		
Personal Emoluments		
Salaries	3,284,931	3,349,378
Allowances	78,521	103,705
Job-related allowances	13,911	22,848
Sub-total	3,377,363	3,475,931
Other Recurrent Expenses		
Personnel related expenses	237,767	275,900
Rewards and special services	13,508	17,259
General departmental expenses	806,644	926,756
Land usage cost	1	1
Grant to the Customs and Excise Service Welfare Fund	352	360
Seizure management	57,145	57,805
Sub-total	1,115,417	1,278,081
Capital Account		
Plant, vehicles and equipment	37,008	6,553
Minor plant, vehicles and equipment	29,682	50,355
Sub-total	66,690	56,908
Total	4,559,470	4,810,920

Case Statistics (2019)

Case Statistics (2020)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)	Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Air Pollution Control	4	-	15	Air Pollution Control	8	-	6
Antibiotics	1	1	2	Consumer Goods Safety	56	20	81
Consumer Goods Safety	48	-	86	Control of Chemicals	4	-	1,177
Control of Chemicals	5	-	64	Copyright / Prevention of Copyright Piracy	62	70	976
Control of Obscene & Indecent Articles	6	8	200	Cross-boundary Movement of Physical Currency and BNI	29	30	11,274
Copyright / Prevention of Copyright Piracy	101	118	3,570	Dangerous Drugs	1 111	200	2,107,617
Cross-boundary Movement of Physical Currency and BNI	151	150	38	Dangerous Goods	3	3	2,586
Dangerous Drugs	827	383	1,367,694	Dutiable Commodities	3 824	2 591	418,496
Dangerous Goods	6	5	736	Firearms & Ammunition	45	-	277
Dutiable Commodities	24 013	17 895	257,644	Food Safety	4	4	652
Firearms & Ammunition	27	7	602	Immigration	21	28	884
Food Safety	66	65	278	Import & Export	1 942	586	908,182
Hazardous Chemicals Control Ordinance	1	-	10	Organized & Serious Crimes	12	53	29,654
Immigration	26	33	157	Pharmacy & Poisons	48	62	3,288
Import & Export	5 205	4 233	582,445	Plant (Importation & Pest Control)	14	2	35
Organized & Serious Crimes	10	20	15,949	Prevention of Cruelty to Animals	2	-	11,990
Ozone Layer Protection	3	-	30	Protection of ES of Animals & Plants	276	128	134,678
Pharmacy & Poisons	101	92	17,064	Public Health & Municipal Services	258	171	37,123
Plant (Importation & Pest Control)	33	20	42	Public Health (Animals & Birds)	6	-	11
Protection of ES of Animals & Plants	659	495	135,464	Rabies	4	4	3
Public Health & Municipal Services	1 041	857	1,298	Reserved Commodities	35	3	547
Public Health (Animals & Birds)	13	11	39	Summary Offences	1	-	1
Rabies	13	13	19	Telecommunication	10	1	1,778
Reserved Commodities	28	6	35	Toys & Children's Products Safety	55	-	132
Telecommunication	37	16	2,040	Trade Descriptions	725	343	145,769
Toys & Children's Products Safety	65	-	406	Waste Disposal	75	2	6,911
Trade Descriptions	1 002	698	118,636	Weapons	31	1	1,445
Waste Disposal	99	-	11,900	Weights & Measures	32	-	127
Weapons	47	5	527	Other Ordinances	127	24	45
Weights & Measures	56	2	31				
Other Ordinances	155	82	1				
All Ordinances *	32 946	24 809	2,284,979	All Ordinances *	8 076	4 076	3,628,848

* 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	2019		2020	
	Quantity	Estimated Value of Seized Items (HK\$'000)	Quantity	Estimated Value of Seized Items (HK\$'000)
Dangerous Drugs ⁽¹⁾				
Heroin (kg)	20.0	16,314	142.5	171,011
Opium (kg)	6.2	1,185	15.7	1,840
Cannabis (kg)	263.0	46,512	404.5	82,193
Ketamine (kg)	351.6	197,948	283.9	134,811
Cocaine (kg)	627.7	678,258	907.0	1,191,129
Methamphetamine (kg)	251.3	155,364	806.7	488,479
MDMA (tablet)	43 473	8,009	24 797	12,170
Synthetic Cathinones (bath salts) (kg)	79.1	9,395	25.7	3,277
Gamma-butyrolactone (GBL) (kg)	186.2	3,538	594.8	10,691
Other Psychotropic Drugs (tablet)	31 206	249,123	25 950	6,280
Dutiable Commodities ⁽²⁾				
Cigarette (mille)	59 884	162,759	205 870	564,305
Other Tobacco (kg)	51 921	151,726	898	3,552
Hydrocarbon Oil ('000 litre)	223	882	169	1,103
Liquor ('000 litre)	11	2,772	51	16,456
Import & Export				
Electrical and Electronic Goods ⁽³⁾ ('000 no.)	3 072	28,899	5 488	33,044
Computer and Accessories ('000 no.)	96	33,815	127	50,002
Foodstuff and Drinks ⁽⁴⁾ ('000 kg)	283	37,806	384	124,608
Meat (tonnes)	1 030	67,390	2 838	131,659
Mobile Phone ('000 no.)	55	33,576	33	41,504
Motor Vehicle ⁽⁵⁾ (no.)	67	17,508	47	12,391
Copyright				
Optical Disc ('000 no.)	68	2,444	8	287
Electrical and Electronic Goods ⁽³⁾ ('000 no.)	1	711	0	262
Forged Trademark (FTM)				
Garment and Accessories ('000 pc)	88	8,719	72	4,557
Leather Goods ('000 pc)	55	21,286	71	16,198
Watch and Parts ('000 no.)	41	9,765	44	10,919
Footwear ('000 pairs)	134	18,183	78	11,665
Pharmaceutical Products ('000 no.)	925	4,415	19	950
Pharmacy & Poisons				
Part I Poisons ⁽⁶⁾ (kg)	1	28	0	2
(litre)	192	1,644	0	0
('000 tablet)	1 970	8,672	8	118
Protection of ES of Animals & Plants				
Wood (kg)	334 124	15,863	196 301	15,885
Pangolin, Parts or Specimen (kg)	8 936	43,806	1 025	6,142
Ivory and Related Products (kg)	2 058	20,711	0	1
Ginseng (kg)	602	428	48 072	40,479
Totoaba, Parts or Specimen (kg)	0	52	308	49,257
Others				
Fireworks (kg)	15	3	1	0
Firearms and Parts (no.)	140	26	22 433	333

The figure '0' refers to a positive figure of value of less than 0.5.

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

(2) Include all ordinances.

(3) Exclude mobile phones and accessories.

(4) Exclude meat.

(5) Exclude dismantled / compressed vehicles and bicycles.

(6) Exclude vigra and antibiotics.

Stop and Search of Persons / Vehicles at Control Points

	2019	2020
No. of persons stopped and searched	160 710	19 930
No. of vehicles checked	564 930	249 070

Training and Development Activities

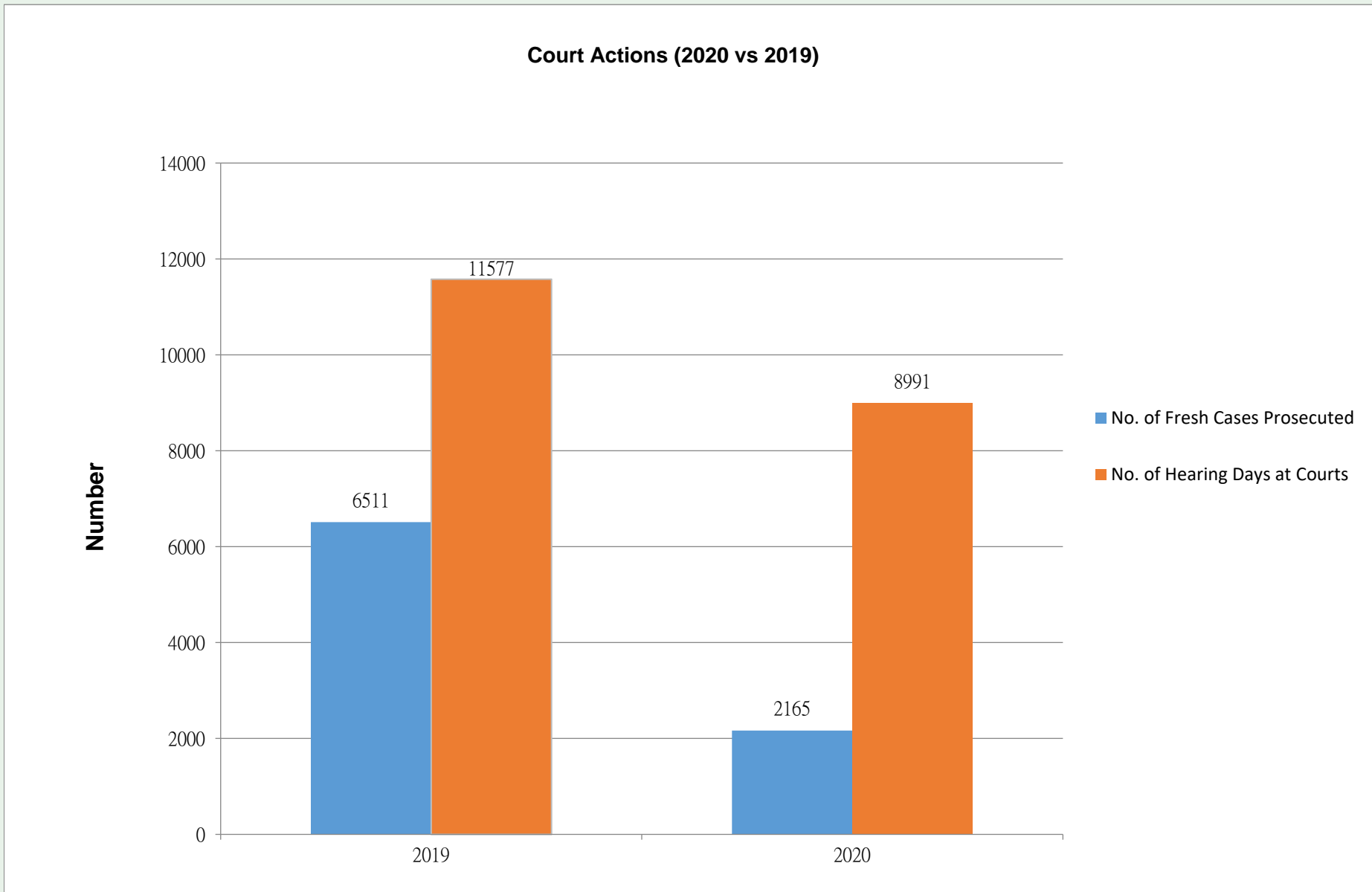
Programme	No. of classes	
	2019	2020
Induction and Continuation Training		
Induction Course:		
<i>For probationary Inspectors</i>	5	4
<i>For probationary Customs Officers</i>	22	10
<i>For probationary Assistant Trade Controls Officers</i>	1	2
Continuation Course:		
<i>For probationary Inspectors</i>	4	5
Functional Competency		
<i>For C&E Service Members</i>		
AMS First Aid Refresher Course	2	3
AMS Basic First Aid Course	2	1
AMS Automated External Defibrillator Training Course	2	0
CAS Abseiling Supervisor Course	2	0
CAS Abseiling Instructor Course	1	0
CAS Abseiling Instructor Study	1	0
Physical Fitness Training Course	1	0
Raiding Techniques Course	3	3
Criminal Intelligence Analysis Training	1	0
Standard Criminal Investigation Course	3	4
Commercial Crime Investigation Course	0	1
Accident Investigation & Prevention Course	1	0
Basic Safety Management Course	1	0
Raiding, Apprehension and Escort (RAE) Course for Frontline Officers	6	3
Safe Handling of Chemicals Course	1	2
Safe Use of Display Screen Equipment Course	1	1
Certificate of Competence in Manual Handling Course	1	0
Seafreight Operation Course	1	1
Import and Export Trade Practices Course	1	1
Dog Bite Safety Course	1	0
Office Safety cum working Under Inclement Weather and Hot Environment Course	1	1
Mental Health First Aid Course	1	1
Information Security Essentials: Trends & Latest Updates	1	1
Workshop on Network Security Management	0	2
Mental Health First Aid Standard Course Extension - Peer Counseling & Skills	1	1
Workshop on Handling of Problem Gambling	1	1
Safety Inspection Course	1	1
Basic Risk Assessment Course	1	0
Intelligence & Investigation Course	7	3
Enhanced Intelligence & Investigation Course	0	0
Training Course for Health and Welfare Managers	2	0
Conflict Management Course	1	0
Legal Training Course	1	0
Advanced Legal Training Course for Prosecution Liaison Officers / OC Cases	2	0
Case Management Course for Inspectorate Officers	1	1
Case Processing Course for COG Officers	0	0
Train-the-Trainer Course on Video Interview System	0	1
Train-the-Trainer Course on X-ray Screener	0	0
Train-the-Trainer Course on Trace Contraband Detector	0	0
Train-the-trainer Course on Passive Millimetre Wave Screening System	0	0
Train-the-Trainer Course on Mobile X-ray Vehicle Scanning System	0	0
Train-the-Trainer Course on Conflict of Interest	1	0
Cargo Processing Course	12	7
Passenger Processing Course	12	3
Foot Drill Instructor Course	3	2
Driving Techniques and Safety Workshop	1	0

Training and Development Activities

Programme	No. of classes	
	2019	2020
Firearms and Special Equipment Training Courses		
Range Management Course	1	1
Arms Cleaning Course	2	2
HK MP5 Sub-machine Gun Training Course	1	1
Annual HK MP5 Sub-machine Gun Refresher Course	4	4
Shotgun Training Course	2	2
Annual Shotgun Refresher Course	16	16
HK 53 Sub-machine Gun Training Course	0	1
Annual HK 53 Sub-machine Refresher Course	6	6
Thigh Draw Holster Training Course	2	2
Thigh Draw Holster Refresher Course	8	8
Bus (under 30 seats) Driving Course	11	2
Light Goods Vehicle Driving Course	26	9
"Press to shock - Save a life" CPR & AED Course	9	1
Workshop on Preparation for Initial Evaluation, Learning Programme Accreditation at QF Levels 4-5 and Internal Quality Assurance	1	5
<i>For TCOG Officers</i>		
Legal Writing for Civil Sanction	2	0
Basic Control Tactics (RAE) Course	1	0
Criminal Investigation Techniques Workshop	2	0
Import and Export Practices and China Cargo Customs Clearance Procedure	1	1
Workshop on Preparation of Prosecution Papers	1	1
Investigation Techniques in Handling Internet Crime	3	2
Legal Training Workshop	1	0
Conducting Selection Interview Workshop	1	0
Media Skills Workshop	0	1
Train-The-Trainer (Facilitation Skills for Managers)	0	1

Training and Development Activities

Programme	No. of classes	
	2019	2020
Management Development		
<i>For C&E Service Members</i>		
COG Supervisory Course	2	2
Customs Officer Development Course	2	1
Integrity Awareness Seminar	2	1
<i>For Both C&E Service Members and TCOG Officers</i>		
Customs Management Development Course	1	0
Customs Command Course	0	0
<i>For TCOG Officers</i>		
Managing Self Integrity	2	2
TCO Management & Development Programme / Course (Part I)	0	0
Course on Mental Health & Building of Caring Colleagues Culture	1	0
Building Resilience and Creating a Supportive Working Environment	1	0
Train-the-Mentor Workshop	1	0
Stress Management Workshop	1	1
Creativity @Problem Solving & Decision Making	0	1
Workshop on Performance Appraisal Writing for STCO	0	1
Communication Skill		
<i>For TCOG Officers</i>		
Presentation Skills Workshop	1	0
Job-related Putonghua Workshop	1	0
Advanced Workshop on Customer Service Skills	1	0
Practical Chinese Writing Skills for TCOG Officers	1	0
Training for Visiting Customs Officials		
Customs Management Course for Mainland Customs	0	0
Customs Practices Training Course for Mainland Customs	0	0



Range of Fines (2020 vs 2019)

