



# CUSTOMS NEWS

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## THE COMMISSIONER SPEAKS

I recently challenged myself to make a no-frills appraisal of the stint as Commissioner thus far, conjuring up the hectic induction and familiarization period in 2011, the pressure of devising viable means to curb rampant parallel trading activities and implement export control on powered formula in 2012, as well as the painstaking efforts gone into execution of an enforcement campaign against unfair trade practices in 2013. All these momentous occasions brought back bittersweet memories that reaffirm the notion that something seemingly impossible will become inevitable if we summon the mind to overcome timidity.

But it was progress that we gained in setting a new strategic course for the department that brought back the most pleasing thoughts. We can justly feel proud for remarkable outcomes secured by the Customs Drug Investigation Bureau after its organizational restructuring, even though work remains to be done to dispel lingering doubts about the positive contribution made by Hong Kong in a perennial game of search-and-destroy played with sophisticated and well-funded international crime syndicates. Recent multilateral joint operations where all related suspects and seizures were netted abroad based on leads uncovered here are beginning to make the right impact. Meanwhile, the Unfair Trade Practice Investigation Group has gone off to a cracking start, making several high profile arrests

that attracted wide public attention and media coverage. Unrelenting pursuit by officers in the Trade Controls Branch also ended up in convictions that attracted custodial sentence. Their perseverance will help to elevate the vigilance of consumers and create greater deterrence for unscrupulous traders, which takes on crucial importance at a time when local retailers are being hit by sagging visitor arrivals and spending. There are of course other areas where the same collaborative model could ramp up efficiency, one prime example is synergy derived from the regulatory regime on Money Service Operators and the proposed reporting system on physical cross-border transportation of currency and bearer negotiable instruments.

Looking ahead, the "One Belt One Road" is a bold and visionary initiative that opens up many thrilling opportunities for greater harmony and shared prosperity among countries in Asia, Europe and Africa. When Hong Kong as a whole is still pondering on how to fulfil its pivotal role as investor, facilitator and intermediary in realizing this brilliant idea, Customs should seize the historical moment to expedite efforts that promotes connectivity - both with the Mainland and other regional counterparts - in order to maintain competitiveness of the logistics trade. Plugging our Intermodal Transshipment Facilitation Scheme into the Speedy Cargo Clearance System and installing the Single Window System



with electronic pre-declaration are forerunners, and colleagues in the Office of Information Technology are already sinking their teeth into these meaningful projects. To short-circuit the planning process, inroad is also being made through trial runs conducted at the land boundary control points and mutual recognition arrangements ratified under the Authorized Economic Operator Programme that will pave way for harmonized protocol and aligned risk indicators before the final deal is sealed.

I firmly believe in the notion that practice makes perfect, and am gratified to witness the department confronts a rapidly evolving enforcement landscape with confidence and sobriety. It rests upon our collective wit and wisdom to determine how 2015 will play out.

**Clement Cheung**  
**Commissioner**

## PROJECT CUSTOMS ANTI-DRUG STRATEGY (CADS) - STATE OF PLAY

The Customs community faces a number of emerging trends nowadays. Globalization, for instance, makes the world ever more interconnected and interdependent through expanded cross-border flows of goods and passengers. While globalization has brought enormous benefits to many countries by raising productivity, disseminating knowledge and new technologies, and enriching the range of choices available to consumers, it also encourages cross-boundary crimes, including illicit trade in drugs.

Illicit drugs pose a grave threat to public health and safety and the trafficking of drugs undermines economic development and international stability. The rampant drug trafficking continues to pose challenges to Customs administrations, demanding concerted attention and efforts from individual administrations in the fight against the problem.



The Director General of the Royal Malaysian Customs Department, Dato' Sri Khazali bin Haji Ahmad, officiates at the opening ceremony of the 1st Meeting of the Regional Anti-drug Expert Group.

To this end, Hong Kong Customs introduced the concept of Customs Anti-drug Strategy (CADS) back in 2013 at the World Customs Organization (WCO) fora to raise WCO members' awareness of the global drug problem and promote the importance of formulating a long-term, holistic and sustainable anti-drug strategy through enhanced

international cooperation. The concept, well received by members of the WCO, was taken forward in a three-phase approach.

### Conceptual and Initiation Stage

To start from scratch, Hong Kong Customs and the then WCO Asia/Pacific (A/P) Vice-Chair (Australian Customs and Border Protection

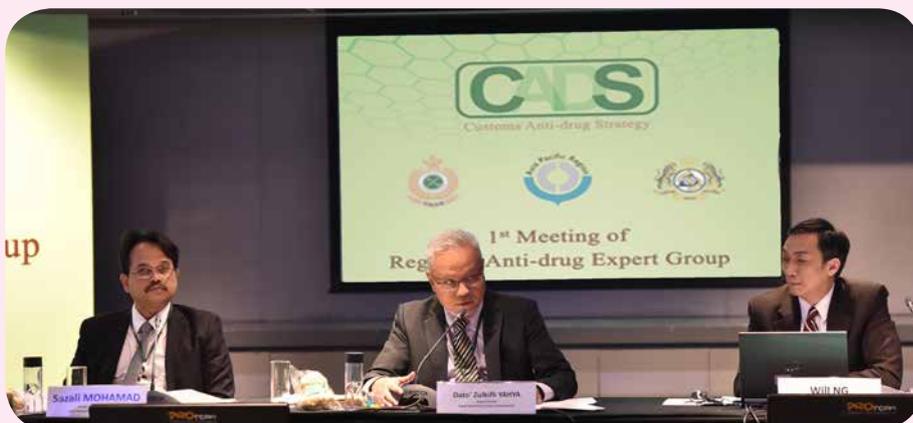


The Director of WCO Compliance and Facilitation, Mr Zhu Gaozhang, delivers a keynote speech at the meeting.

Service) co-hosted a three-day High-level Seminar on CADS in December 2013 during which 27 representatives from 14 Customs administrations and organizations discussed their strategy, shared experience and charted the way forward in developing a sustainable drug enforcement strategy across nations. A preliminary framework of Project CADS was crafted.

## Project Planning

WCO members' determination in fighting against drug trafficking was speedily consolidated into action and paved the way for a Core Group Meeting to be co-chaired by Hong Kong Customs and the WCO A/P Vice-Chair (the Royal Malaysian Customs Department) in October 2014. Efforts of 23 representatives from 13 Customs Administrations and organizations were pooled in the Core Group Meeting to devise a Concept Note on Project CADS. It serves as a blueprint of the Project for establishing a Regional Anti-drug Expert Group (RAEG), organizing regional anti-drug activities and advocating regional anti-drug initiatives.



The meeting is chaired by the Customs Director for the State of Penang, Malaysia, Dato Sulhifi bin Yaha (centre).

## Project Implementation

Following the endorsement of the Concept Note at the 24th WCO A/P Regional Contact Point Meeting held in Malaysia in November 2014, the RAEG was established to bring the concept of Project CADS into reality.

More than 40 drug experts and law enforcement officers from 16 Customs administrations' of the group as well as WCO's regional intelligence liaison and capacity building offices attended the 1st RAEG meeting which was co-hosted by Hong Kong Customs and the WCO A/P Vice-Chair from

March 5 to 6, 2015 in Hong Kong.

[1 Members of the Regional Anti-drug Expert Group attending the meeting include Australia, Cambodia, China, Fiji, Hong Kong China, India, Indonesia, Japan, Korea, Macao China, Malaysia, New Zealand, Papua New Guinea, Singapore, Sri Lanka, and Thailand.]

Advocating the mission to adopt a holistic and sustainable strategy to effectively combat transnational drug trafficking activities, the delegates contributed to the pragmatic discussions on anti-drug strategies which embraced actions of awareness promotion, capacity building, cooperation, and operational activities.

The pursuit of sustained and effective regional cooperation was underpinned by a pipeline of concrete actions stipulated in an Annual Plan as devised with engagement of the delegates. The Annual Plan has been construed as a key component in holding activities, and it also helps in tackling tangible issues. A regional operation, for instance, would be launched later this year with members' involvement. The WCO Regional Intelligence Liaison Office Asia Pacific (RILO A/P) had pledged



The Head of WCO Asia/Pacific Regional Office of Capacity Building, Mr Kazunari Igarashi, expresses support to Project CADS in his speech.

to provide intelligence and liaison support to the RAEG, including the setting up of a Virtual Operation Coordination Unit during operation period and publication of periodic drug bulletins. The WCO Asia Pacific Regional Office of Capacity Building (ROCB A/P) also reaffirmed staunch support by providing

training activities in response to the identified and prioritized needs.

### Way Forward

The overall objective of Project CADS lies in fighting against the imminent drug crises in a holistic and sustainable approach. The challenges brought about by the

drug scourge could only be tackled with a unitary strategic vision and international cooperation. Expanding the collaboration platform globally is the most viable option which has evolved as the vision of the region.

**Office of Customs Affairs and Cooperation**

## NEW AEOs RECEIVE CERTIFICATES AND JOIN THE INDUSTRY IN ATTENDING JOINT SEMINAR ON MRA WITH THE MAINLAND

As the Hong Kong Authorized Economic Operator (AEO) Programme enters its fourth year of implementation in 2015, a total of 25 companies are accredited and among them 10 are new members who have joined the AEO family recently.

A Certificate Presentation Ceremony was held on January 13 during which the Assistant Commissioner (Excise and Strategic Support), Mr David Fong, presented to the 10 newly accredited companies their AEO certificate in recognition of their compliance with the accreditation criteria under the Programme.

At the same time, a Joint Seminar on AEO Mutual Recognition Arrangement (MRA) between the Mainland and Hong Kong Customs was organized to promote the companies' understanding of the accreditation mechanism and the convenient measures offered by the Programme.

The event received encouraging response from the industry

with attendance of more than 130 participants, including representatives from AEO companies, trade associations and local enterprises.

The 25 members of the AEO family are all committed to joining hands with the Department in securing the global supply chain. In return, they can enjoy clearance facilitation under the Programme and further benefits under the MRAs with other Customs administrations,

such as reduced examination and prioritized clearance. So far, the Department has entered into MRAs with the Mainland, India, Korea and Singapore Customs, and would press ahead with the negotiation of MRAs with other ASEAN countries in the coming year.

After the presentation ceremony, the participants were well briefed by the Senior Staff Officer (Supply Chain Security Management), Mr Jimmy Tam, on the latest developments



Mr David Fong (centre, front row) and AEO representatives at the presentation ceremony.

of the AEO Programme and the implementation of the MRAs, in particular the procedures for enjoying the facilitation benefits under the MRAs with the Mainland and Korea counterparts.

To enhance the participants' understanding of the Mainland's AEO operation, the Director of the

Department of Audit-Based Control and Risk Management of the General Administration of Customs of the People's Republic of China, Mr Qi Ming, also gave a talk at the Joint Seminar on their new enterprise classification mechanism, namely "Interim Measures for Enterprise Credit Management by the Customs Administration of the

People's Republic of China", which was officially launched in December 2014. The Joint Seminar reinforced the industry's understanding of the two AEO Programmes and also enhanced their confidence on the Customs-to-Business partnership.

**Office of Supply Chain Security Management**

## HONG KONG CUSTOMS CELEBRATES 2015 INTERNATIONAL CUSTOMS DAY



Mr Tsang (sixth right), Mr Cheung (sixth left) and guests propose a toast at the reception.

The International Customs Day (ICD) is an annual event of the World Customs Organization (WCO) to commemorate the founding of the WCO in 1953 and to promote international Customs cooperation. This year, Hong Kong Customs held a reception on January 26 to

celebrate the 2015 International Customs Day.

The event was the 28th celebration of the ICD by Hong Kong Customs since it became a member of the WCO in 1987. The Financial Secretary, Mr John Tsang, and

the Commissioner of Customs and Excise, Mr Clement Cheung, officiated at the ceremony of the reception.

The theme for this year's ICD is "Coordinated Border Management (CBM)". CBM is a strategic policy



Mr Tsang presents the WCO Certificate of Merit to the representative of Hongkong Post, one of the awardees.

concept derived by the World Customs Organization (WCO) to enhance border security and facilitate trade.

The concept of CBM promotes the adoption of a coordinated approach by Customs administrations, cross-border regulatory agencies, as well as economic operators. This will help ensure efficient and effective processes and procedures that apply to travelers, goods and conveyance crossing international borders with a view to lowering business costs, removing trade barriers and stimulating balanced growth. CBM can be realized through coordination within a Customs authority and among different border agencies,

partnership between Customs and business sectors as well as international Customs cooperation.

Officiating at the ceremony, Mr Tsang highlighted the importance of CBM and said, “CBM is a multilateral approach to lowering business costs, removing trade barriers and stimulating balanced growth. It is also central to international efforts in eradicating illegal activities, enhancing customs efficiency and nurturing a culture of compliance with the law, and customs-business partnership.”

Also speaking of CBM, Mr Cheung said Hong Kong Customs had developed a strategic partnership with other Customs administrations,

government agencies and business stakeholders to better border control and facilitate legitimate trade.

The cooperation with Hongkong Post is an exemplar among other strategic collaborations of CBM with Hong Kong Customs. With advance mail information, effective monitoring and a referral mechanism from the Hongkong Post, Customs officials could resourcefully identify and intercept high risk mail items. Subsequent follow-up investigations could be conducted efficiently, leading to remarkable enforcement results.

As a token of appreciation, Mr Tsang represented the Customs community to present the World Customs Organization Certificate of Merit to a representative of Hongkong Post at the reception in recognition of its outstanding achievement and significant contribution towards realizing the concept of CBM. In the same occasion, Mr Tsang also presented the same award to 19 outstanding officers of Hong Kong Customs.

Some 320 guests, including Members of the Executive and Legislative Councils, government officials, Consuls General, foreign Customs attachés and representatives from Customs administrations of the Mainland and Macau, as well as business sector stakeholders, also joined the celebration.

**Office of Customs Affairs and Cooperation**

## HONG KONG CUSTOMS SIGNS MOU WITH EXPRESS COURIER OPERATORS IN ENFORCEMENT COOPERATION

Hong Kong Customs is the primary agency responsible for the suppression of smuggling activities, and also acts as the front-line agency to prevent importation and exportation of articles which are prohibited by law. The Department maintains active liaison with local and overseas counterparts for exchange of intelligence on all kinds of smuggling activities.

To foster closer cooperation with the express courier industry in the fight against smuggling activities, Hong Kong Customs signed Memorandum of Understanding (MOU) with five major express courier operators. The MOU signing ceremonies were completed in March 2015, signifying the inception of more stringent enforcement against illicit items.

The five transnational express couriers participating in this MOU initiative are key players in the industry, namely DHL Express (Hong Kong) Limited (“DHL”), Federal Express (Hong Kong) Limited (“FedEx”), S.F. Express (Hong Kong) Limited (“SF Express”), TNT Express Worldwide (HK) Ltd (“TNT”) and UPS Parcel Delivery Service Limited (“UPS”).

Hong Kong Customs has all along been working closely with the express couriers in enforcement cooperation. In the past few years, these five express couriers have reported to Customs suspicious cargoes found at their express cargo centres.



The Assistant Commissioner (Intelligence and Investigation), Mr Albert Ho, and respective signatories of express couriers, Mr Ken Lee / DHL (top left), Mr Anthony Leung / FedEx (top right), Mr Fred Dong / SF Express (centre), Mr William Ng / UPS (bottom left) and Mr Ivan Siew / TNT (bottom right).

In view of the ever increasing cross-border activities, there is a growing need to work together with the express couriers in detecting contraband items, including dangerous drugs, illicit cigarettes and counterfeits. Designated Customs contact points to handle reports of suspicious cargoes have been set up.

Based on the MOU, Hong Kong Customs will further strengthen the close linkage with the express couriers and enhance cooperation and information exchange. Customs officials will share with the frontline courier staff the latest smuggling trend by holding regular briefings and seminars. On-going reviews of

the enforcement cooperation will be conducted and strategies that are most appropriate and consistent with Customs’ anti-smuggling mission will be formulated.

With support and assistance from express couriers, Customs will be able to identify suspicious cargoes more effectively and efficiently. As a result, shipment of legitimate goods would also be speeded up to further enhance trading activities.

**Intelligence Bureau**

## HK CUSTOMS SUPPORTS INITIATIVES OF APEC MEETING



Mr David Fong (second right) shares his views with other delegates at the meeting.

Member economies of the Asia-Pacific Economic Cooperation (APEC) Sub-Committee on Customs Procedures met in Clark, the Philippines between January 27 and 29 at the 2015 First Meeting to discuss major international Customs issues. The Assistant Commissioner (Excise and Strategic Support), Mr David Fong, led a delegation of Hong Kong Customs to attend the Meeting.

Customs issues discussed at the Meeting included the implementation of World Trade Organization (WTO) Trade Facilitation Agreement and the development of Single Window

system. Members also exchanged views on a number of initiatives relating to the Workshop on Customs Control over Cross-border E-Commerce and the Wildlife Trafficking Workshop on Customs Best Practices.

During the discussion session, Mr Fong shared with members Hong Kong Customs' efforts in combating smuggling of contrabands with express cargo and postal parcels. He also underlined the vulnerabilities of cross-border e-commerce and its delivery practice being exploited by culprits. Mr Fong also considered that the E-commerce Workshop would be a valuable opportunity

for Customs and stakeholders to chart the way forward in tackling the challenges arising from e-commerce.

Addressing cross border wildlife crime, Mr Fong stressed the seriousness of the problem and highlighted the remarkable enforcement result of Hong Kong Customs on this front last year. He reiterated the importance of collaboration among Customs and other enforcement agencies to form a wildlife enforcement network in countering wildlife trafficking.

In addition, the Hong Kong delegation delivered a presentation on the outcome of the APEC Intellectual Property Rights (IPR) Border Enforcement Workshop held in November 2014 in Hong Kong. Member economies were encouraged to keep up the momentum in fighting against IPR crime across the border through closer Customs-business partnership.

**Office of Customs Affairs and Cooperation**

## WCO INTEGRITY DIALOGUE AND WCO ASIA PACIFIC REGIONAL HEADS OF CUSTOMS ADMINISTRATIONS CONFERENCE

Following the successful completion of Shanghai Integrity Seminar in late 2013, the World Customs Organization (WCO) held an Integrity Dialogue earlier this year to reflect the determination of Asia Pacific (A/P) region in addressing

integrity challenges. The WCO Integrity Dialogue was held together with the 16th WCO A/P Regional Heads of Customs Administrations (RHCA) Conference from February 5 to 6 in Melbourne, Australia. A delegation of Hong Kong Customs,

led by the Assistant Commissioner (Excise and Strategic Support), Mr David Fong, attended the meetings.

Members shared their experience in maintaining integrity culture as well as using technology to prevent



Mr David Fong (second right) gives updates on Project CADS at the RHCA Conference.

criminal infiltration and corruption. Delegates also discussed the importance of managerial courage and application of a holistic strategy with support of technology in preserving the integrity culture.

At the RHCA Conference, a number of Customs issues of regional concern were reported and

reviewed, including the World Trade Organization (WTO) Agreement on Trade Facilitation, impact of e-commerce on revenue collection, and private sector engagement.

During a discussion session at the Conference, Mr Fong updated Member administrations the progress of the Project Customs

Anti-drug Strategy (CADS). He also highlighted the importance of enforcement agencies' united efforts in suppressing the transnational drug trafficking problems. He called for members' support in joining the newly established Regional Anti-drug Expert Group (RAEG) and the 1st RAEG meeting in March 2015 in Hong Kong to formulate a pragmatic regional anti-drug plan.

This was the first RHCA Conference being held on an annual basis. Members had successfully endorsed at the meeting key regional issues and steered the region's strategic way forward.

**Office of Customs Affairs and Cooperation**

## 1<sup>ST</sup> STRATEGIC ADVISORY COMMITTEE MEETING WITH AUSTRALIAN CUSTOMS

During an official visit to Melbourne on February 6 this year, the Assistant Commissioner (Excise and Strategic Support) of Hong Kong Customs, Mr David Fong, took the opportunity to hold the 1st Strategic Advisory Committee Meeting with Deputy Secretary Cooperate Group / Chief Operating Officer of Australian Customs, Ms Marion Grant.

Under the revised Customs Cooperative Arrangement (CCA) signed between Hong Kong Customs and Australian Customs in November 2014, the Strategic

Advisory Committee was established with a view to formulating strategies to enhance cooperation between the two sides and oversee the overall implementation of the CCA, including the progress of various cooperative projects.

At the Committee's first meeting, both Hong Kong Customs and Australian Customs affirmed the cooperation on drug enforcement and agreed to take forward the cooperation plan formulated earlier for tackling drug problems jointly with Mainland China, New Zealand

Customs, and Australian Federal Police. A multilateral meeting to work out the details would be arranged later this year.

On the front of trusted trader cooperation, Australian Customs gave updates on the progress of their impending Trusted Trader Programme at the meeting. Hong Kong Customs also provided information on Hong Kong Authorized Economic Operator (HK AEO) Programme and welcomed Australian Customs to pay a study visit to Hong Kong. Both sides agreed to explore a



Mr David Fong (right) and Ms Marion Grant (second left) at the Meeting.

Mutual Recognition Arrangement in the future.

Apart from enforcement and trade facilitation matters, the meeting also discussed areas of cooperation on human resources management and shared experience on the technological capability. As such, Hong Kong Customs and Australian Customs agreed to seek opportunities to line up exchange programmes or reciprocal visits for officers from both administrations.

**Office of Customs Affairs and Cooperation**

## DATA MODEL AND INFORMATION MANAGEMENT MEETINGS HELD AT WCO HEADQUARTERS

The Data Model Project Team Meeting and the 68th Information Management Sub-Committee Meeting were held at the World Customs Organization (WCO) Headquarters in Brussels, Belgium from January 19 to 23, 2015. The Senior Staff Officer (Information Technology), Mr Chan Wai-chiu, and Senior Inspector, Mr Wong Chun-tak, of Hong Kong Customs attended the meetings.

At the meetings, Member administrations shared their experience of IT project implementation and exchanged ideas in respect of trade facilitation and Customs control.

The topic on development of Single Window was the focal point in the meetings. Members also learnt that WCO was developing

a concise and multi-disciplinary booklet which would address the key stages of Single Window development, including business process analysis and the WCO Data Model harmonization. It is recognized that in the development of Single Window, connectivity and interoperability with other economies is an integral part of the system for enhancing information sharing and economic cooperation. It would be beneficial if the Hong Kong SAR Government and Customs could draw reference from it for developing the future Single Window and regional integration with other Asian countries.

Under the topic of air cargo security, the Sub-Committee is compiling relevant data requirements for information exchange on security

against terrorist attack without interrupting the cargo movement. From the perspective of cargo clearance, development of these data requirements will help Customs fine-tune the profiling indicators for improving effectiveness and efficiency as a whole.

The series of meetings provided a platform for international cooperation, greater connectivity and exchange of information among Member administrations, government agencies, international organizations and other stakeholders concerned. Hong Kong's participation helps Customs keep abreast of the latest IT development and knowledge so as to bring in new technologies and business concepts for future development.

## HK CUSTOMS PARTICIPATES IN WCO MEETINGS ON CAPACITY BUILDING AND INTEGRITY



Mr Fan Chi-kong (left, second row), the Director of Capacity Building Directorate of the WCO, Mr Erich Kieck (right, second row), the Head of the ROCB Asia/ Pacific, Mr Kazunari Igarashi (left, first row) and other representatives of the RTCs in the Asia Pacific region in the meeting.

Three meetings on capacity building and integrity were held by World Customs Organization (WCO) in a row from February 19 to 27, 2015 in Brussels, Belgium. Representing Hong Kong Customs in the meetings were Senior Staff Officer (Training and Development), Mr Fan Chi-kong, and Senior Inspector, Ms Lau Pui-shan.

At one of the meetings, namely the 10th Global Meeting of the Heads of the Regional Offices for Capacity Building (ROCBs), the Regional Training Centers (RTCs) and the Vice-Chairs' Offices (VCs), members reaffirmed the commitment of regional entities to

ensure strong people for strong organizations. Upon invitation from the WCO, Mr Fan gave a presentation on the Professional Development Training Block, which enabled the use of simulated training infrastructure in support of the delivery of competency-based training by Hong Kong Customs.

The theme of another meeting, i.e. the 6th session of the WCO Capacity Building Committee, was "Starting with the End in Mind". The meeting emphasized the need for results-based management, which required performance measurement and development of indicators and baselines. The

meeting offered a platform for Customs administrations around the globe to discuss and exchange views on the implementation of results-based management and its benefits.

At the 14th session of the WCO Integrity Sub-Committee, human resources management, covering recruitment, rotation and incentive measures, was identified as a key to enhance integrity. Participants discussed the new challenges on Customs in safeguarding integrity and held high regard for WCO's initiatives in benchmarking best practices of integrity.

## HK CUSTOMS ATTENDS INTERPOL MEETING AND VISITS US HOMELAND SECURITY INVESTIGATIONS



Ms Ng Kit-ching (centre) and Mr Yeung Yuk-man (left) at the 2nd Expert Working Group Meeting.

The 2nd Meeting of the Expert Working Group on the Identification, Location and Seizure of Assets organized by INTERPOL was held from December 17 to 19, 2014 in New York, United States. The meeting was attended by 90 representatives of prosecution and law enforcement agencies from 32 jurisdictions and six international organizations. Hong Kong Customs

was represented by the Group Head (Financial Investigation), Ms Ng Kit-ching, and Senior Inspector, Mr Yeung Yuk-man, of the Syndicate Crimes Investigation Bureau.

Members of the meeting discussed and evaluated the existing international mechanisms for asset tracing and recovery. They also examined the emerging

challenges brought to enforcement following advancement in technology and explored possible innovative solutions to tackle the problem. With active participation of the representatives, the meeting highlighted international cooperation and development of innovative tools in the field of the recovery of criminal assets.

Ms Ng and Mr Yeung also visited the offices of Homeland Security Investigations (HSI) of the United States Department of Homeland Security in Los Angeles and New York on December 15 and 19 respectively. They met with various HSI special agents to discuss cooperation on the ongoing joint investigations into transnational money laundering cases. Both sides also shared enforcement experience and explored future cooperation opportunities.

**Syndicate Crimes Investigation Bureau**

## MAINLAND/ HONG KONG AIRPORT CUSTOMS EXAMINE REGULATORY AND COOPERATIVE MECHANISM

During the visit to Beijing in October last year, the Deputy Commissioner of Hong Kong Customs, Mr Yu Koon-hing, and Director General of Beijing Customs District, Mr Gao Rongkun, agreed on the need to establish a mechanism for information exchange to enhance enforcement effectiveness at airports. To map out details of a regulatory and cooperative mechanism, delegates from

Beijing, Shanghai and Guangzhou Airport Customs and officers of the Airport Command under Hong Kong Customs met on February 10, 2015 in Hong Kong.

The meeting showed concern on the current phenomenon where drug syndicates took advantage of the well-established international airport network between the Mainland and Hong Kong, in an

attempt to disguise the real port of origin to smuggle drugs. The drugs were smuggled from areas such as South America and Africa by transit air passengers, air cargoes or air mails.

Members of the meeting agreed on the need to establish a mutual notification mechanism, coupled with regular exchanges, on-site visits as well as constant annual

reviews, in a bid to combat transnational drug trafficking activities and enhance enforcement efficiency. In view of the constant cargo/mail smuggling activities by sea and across border between the Mainland and Hong Kong, Hong Kong Customs expected that the issue could be discussed

in the upcoming Chief Liaison Officers' Meeting with General Administration of Customs of the People's Republic of China (GACC) scheduled for the second half of 2015.

This meeting fostered mutual understanding among the

delegations in respect of daily operation, enforcement situation and strategies. In addition, it was also a milestone in strengthening the capacity to curb transnational drug trafficking activities between the Mainland and Hong Kong in future.



Mr Yu Koon-hing (centre front), two representatives of Hong Kong Customs and delegates of Mainland Airport Customs.

## EXPERT STUDY PROGRAMME BETWEEN HONG KONG AND KOREA CUSTOMS

The 2nd Expert Study Programme between Hong Kong Customs and Korea Customs Service (KCS) was successfully held in Hong Kong between January 14 and 16, 2015.

The Assistant Commissioner (Excise and Strategic Support), Mr David Fong, and Director General,

Information Management and International Affairs Bureau of KCS, Mr Kim Kwang-ho, who led a seven-member delegation, jointly officiated the opening ceremony. At the event, both sides highly affirmed the outcome of the 1st Expert Study Programme held in Seoul last year.

Apart from having fruitful discussions on international cooperation and Single Window, the Korean delegates were also given comprehensive briefs on various enforcement fronts covering intelligence exchange, anti-illicit cigarettes and IPR. The Korean

delegates visited Kwai Chung Customhouse and Shenzhen Bay Control Point to see for themselves Hong Kong Customs' sea and road cargo clearance as well as cross-

border trade facilitation measures.

With the Study Programme, both sides are able to share expertise and exchange views effectively in

different Customs' areas with a view to strengthening bilateral links and strategic partnership.



Mr David Fong (third right) meets with Mr Kim Kwang-ho (fourth left).

## CUSTOMS COOPERATION CONFERENCE WITH KOREA CUSTOMS SERVICE

The Commissioner of Hong Kong Customs, Mr Clement Cheung, led a five-member delegation to attend the 32nd Customs Cooperation Conference with the Korea Customs Service in Busan, Korea on March 2, 2015. At the conference, both administrations updated each other with their latest development in areas of trade facilitation, intellectual property rights enforcement, Project CADS (Customs Anti-drug Strategy) and Single Window System.

After fruitful discussion at the conference, Mr Cheung signed the agreed minutes with the Commissioner of Korea Customs Service, Mr Kim Nak-Hoe, to assure the firm cooperative relationship between the two administrations. Both Customs



Mr Clement Cheung (second left, front row) and other Hong Kong delegates visit the Busan New Port Container Terminal.

administrations agreed to continue the timely exchange of intelligence to combat transnational Customs offences, including drug trafficking and intellectual property rights infringements, as well as to organize the Korea-Hong Kong Expert Exchange Programme for sharing experience and knowledge

on various fronts.

The delegation also visited the Busan New Port Container Terminal to get a better understanding of the terminal's operation and the relevant clearance procedures of Korea Customs Service.

## CHIEF LIAISON OFFICERS' MEETING HELD BETWEEN HONG KONG AND MAINLAND CUSTOMS



Mr David Fong (fourth left) and the delegation visit the Pilot Free Trade Zone within the Shanghai Pudong International Airport.

The 2015 Chief Liaison Officers' Meeting between Hong Kong Customs and the General Administration of Customs of the People's Republic of China (GACC) was held in Nanjing and Shanghai from March 16 to 18, 2015. The Hong Kong Customs delegation was headed by the Assistant Commissioner (Excise and Strategic Support), Mr David Fong, while the Mainland Customs delegation was

led by the Deputy Director General of the Department of International Cooperation of the GACC, Mr Liu Jian.

This was the first Chief Liaison Officers' Meeting convened since the enhanced cooperation framework between the two administrations came into effect last year. Under the framework, the GACC and the Guangdong Sub-Administration

of the General Administration of Customs agreed to host the Annual Review Meeting with Hong Kong Customs alternately.

The meeting reviewed the collaboration between the two administrations on various fronts, including trade facilitation, anti-smuggling and customs clearance, and also critically examined the outcome of cooperation in implementing the initiatives set out in the Cooperation Work Plan in the past year. A number of recommendations and improvement measures to pave the way for the better implementation of the Cooperation Work Plan in the coming year were raised at the meeting.

Subsequently, the Hong Kong delegation visited the China (Shanghai) Pilot Free Trade Zone and the Shanghai Pudong International Airport to observe the latest trade facilitation measures and the mode of customs control adopted by the Shanghai Customs.

## OPERATION "WINTER SHIELD" IN PRE-LUNAR NEW YEAR PERIOD

During the two-week pre-lunar New Year festive period in February 2015, the Customs and Excise (C&E) Department mounted an operation "Wintery Shield" by deploying officers from the three Consumer Protection Bureaux under the Trade Control Branch (TCB) and the Intellectual Property Investigation Bureau of the C&E Service.

They formed joint patrol teams to conduct large scale and sustained high profile patrols to detect suspected infringing acts relating to product safety, trading standards on weights and measures, trade descriptions as well as Intellectual Property Rights. Customs officers conducted patrol at shops and

stalls in popular tourist areas and major Lunar New Year Fairs in the territory. The operation was successfully concluded on Lunar New Year's Eve.

The multifaceted high-profile patrol operation showed the Department's determination and unyielding

stance to combat malpractices by the unscrupulous traders on one hand and served as deterrence to potential criminals on the other. Pamphlets were distributed for promoting traders' awareness of compliance with the relevant Ordinances and consumers' understanding of the legislation. The operation aimed to achieve the ultimate goal of safeguarding the consumers' rights and safety.

The successful implementation of the operation "Wintery Shield" reflected the combined efforts resulted from cooperation of



Customs officers distribute pamphlets of smart shopping tips to passers-by in popular shopping areas.

different grades and formations of the Department. The remarkable enforcement outcome was

achieved as a result of optimal use of resources and manpower.

**Consumer Protection Bureau(3)**

## HK CUSTOMS PROMOTES IPR PROTECTION WITH YOUNGSTERS



Mr Clement Cheung (seventh left) with the winners of Youth Ambassador Individual Award.

Apart from vigorous enforcement against Intellectual Property Rights (IPR) infringement, the Customs and Excise Department (C&ED) attaches great importance to raising public awareness on IPR protection. The Intellectual Property Investigation Bureau of C&ED and the Intellectual

Property Department (IPD) jointly organized the "I Pledge • Youth Ambassador of the Year 2014 Award Presentation Ceremony" on December 20, 2014 with participation of over 250 youngsters from local uniformed groups. This activity, launched consecutively in

the past nine years, has brought about a higher public awareness towards IPR protection and also set up role models for young people to follow in the fight against infringement.

The Youth Ambassadors were

presented prizes of a Photo Contest and a Short Video Shooting Competition in recognition of the originality of the works they created. The ceremony also awarded 13 Ambassadors of the Year for their outstanding effort in raising awareness of IPR protection. Through instilling a value that they own the copyright in what they have created, the participants could truly appreciate the harmful effect resulted from infringing acts.

At the ceremony, the Commissioner of Customs and Excise, Mr

Clement Cheung, said that all social engineering projects were founded with public support. Putting an end to IPR infringement relied on both law enforcement and public support. Mr Cheung expressed his gratefulness for the unfailing support from the intellectual property industry and the 13 local youth uniformed organizations in making the Scheme a success. In view of the challenges of Internet infringement, the C&ED is prepared to launch a new Lineament System in 2015 to further tackle infringing activities on the social platform.

In 2014, the Youth Ambassador Scheme organized a series of training and educational activities, including a photography workshop, a photo contest and a visit to the Customs and Excise Training School. The Scheme also joined hands with the "I Pledge" Campaign in organizing a film show, a short video shooting workshop, a filming tour to Foshan and a Piracy and Malware Liberal Studies Independent Enquiry Study Competition.

**Intellectual Property Investigation Bureau**

## COURTESY CALL OF NEWLY APPOINTED DIRECTOR-GENERAL OF MACAO CUSTOMS SERVICE



Hong Kong and Macao Customs delegations exchange views in the meeting.

The newly appointed Director-General of the Macao Customs Service (MCS), Ms Lai Man-wa, paid a courtesy call on the Commissioner of Customs and Excise, Mr Clement Cheung, on January 19, 2015. This was Ms Lai's first time visit since taking office last December.

Mr Cheung congratulated Ms Lai on her new appointment and believed that the close ties between the two administrations could be further strengthened under the new leadership of Ms Lai.

Ms Lai also expressed her appreciation of the continued support given by Hong Kong Customs and briefly shared with Mr Cheung her views and work plans in leading the MCS to meet the new challenges ahead. She took the opportunity to talk about MCS' new operational arrangements upon extension of the opening hours at the three land boundary checkpoints, namely the Barrier Gate, the Zhuhai-Macau Cross-border Industrial Park and the Cotai, since December 18, 2014.

At the meeting, both parties discussed a wide range of issues involving both administrations. They fully recognized the need to further enhance bilateral cooperation on various fronts, in particular combating cross-boundary drug trafficking and smuggling activities.

### Office of Customs Affairs and Cooperation

## SENIOR OFFICIALS VISIT HK CUSTOMS

On March 5, 2015, the Director General of the Royal Malaysian Customs Department, Dato' Sri Khazali bin Haji Ahmad, led a three-member delegation to visit

Shenzhen Bay Control Point after attending the opening ceremony of the First Regional Anti-Drug Expert Group Meeting.

The delegation was briefed by officials of the Land Boundary Command on the arrangement for customs and immigration clearance. They could understand more about clearance of passengers and cargoes by Hong Kong and Shenzhen authorities in their respective designated areas at the control point. The delegation was also shown the advance equipment in the passenger halls employed to detect and deter cross-boundary smuggling activities as well as a vehicular kiosk equipped with the Road Cargo System (ROCARS) All-in-One-Panel to provide seamless customs clearance to cross-boundary trucks.



Mr David Fong (fourth left) accompanies Dato' Sri Khazali bin Haji Ahmad (fifth left) in a visit to the passenger hall of the Shenzhen Bay Control Point.

## MAINLAND CUSTOMS (GUANGDONG) DEVELOPMENT COURSE



Mr Chong Man-kai (fourth left), and other delegates meet with the Director of Operational Coordination Division of GuangDong Sub-Administration, Mr Yuan Shengqiang (third right).

For a better understanding of the operation of the Mainland Customs and establishing a closer relationship with the counterparts, a delegation of Hong Kong Customs attended the 9th Mainland Customs (Guangdong) Development Course from January 12 to 23, 2015. The delegation, led by the Assistant Staff Officer of the Office of Prosecution and Management Support, Mr Chong Man-kai,

comprised 13 inspectorate grade and trade controls officers of different formations.

This 12-day training course, held at Lianhuashan Guangdong Customs Training Base in Panyu, covered a variety of topics. These included the organizational structure and functions of the Mainland Customs, control on the collection of Customs taxes and application of

information technology in Customs management and development. Apart from classroom discussions, the Mainland Customs also organized site visits for participants to observe various Customs clearance facilities. The course fostered a stronger linkage between the two Customs administrations and also enhanced the law enforcement capabilities of both sides.

## FINANCIAL SECRETARY INSPECTS CUSTOMS' PASSING-OUT PARADE



Mr John Tsang addresses the Parade.

A passing-out parade was held on January 16, 2015 with 10 Probationary Inspectors and 195 Probationary Customs Officers inspected by the Financial Secretary, Mr John Tsang. Over 800 guests from various government departments, private sectors as well as families and friends of the graduates attended the ceremony held at the Customs and Excise Training School.

The Inspectors and Customs Officers successfully completed 24 weeks and 15 weeks of residential induction training respectively. The induction courses cover legal knowledge, Customs' function and working procedures, physical training, team-building, foot drill and firearms training. The courses also emphasize on conduct and discipline training, interpersonal skills and stress management

with a view to enhancing the personal quality and all-rounded development of the trainees. For the Inspectors, supervisory skills and leadership training are specially incorporated to strengthen their capabilities in leading the frontline duties in future.

Addressing the parade, Mr Tsang commended the graduates for their excellent performance in the parade, which was marked with synchronization and imbued with vigour and pride. As Customs takes on diverse duties and heavy responsibilities, he encouraged

the graduates to keep pace with the times and strive for service excellence in their future posts. He also urged the graduates to uphold the rule of law, discharge their duties impartially, serve the public enthusiastically and observe the pledge of Commitment and Excellence throughout their career.

## ASSISTANT TRADE CONTROLS OFFICERS GRADUATE



Mr Chan Chi-keung delivers a speech at the ceremony.

A total of 37 newly appointed Assistant Trade Controls Officers (ATCO) of the Customs and Excise Department attended a graduation ceremony on November 28, 2014 upon completion of the 74th and 75th ATCO induction courses.

The 16-week induction course provides to the ATCOs with training on fundamental legal knowledge,

work procedures, operational practices and skills, occupational safety and health, as well as commercial knowledge. With individual postings after graduation, they are required to perform various duties relating to trade controls, consumer protection and supervision of money service operators.

Speaking at the graduation ceremony, the Head of Trade Controls of the Department, Mr Chan Chi-keung, congratulated the graduates for the successful completion of the induction courses and encouraged them to do their best with commitment and diligence.

## WCO REGIONAL WORKSHOP ON INTELLIGENCE MANAGEMENT

The Customs and Excise Training School (CETS) has been accredited as one of the seven World Customs Organization (WCO) Regional Training Centres (RTCs) in the Asia Pacific region since 2004. The RTCs aim to enhance the capabilities of regional member administrations through capacity building.

In collaboration with the WCO and the WCO Asia Pacific Regional Office for Capacity Building (ROCB A/P), Hong Kong Customs organized the WCO Asia Pacific

Regional Workshop on Intelligence Management at CETS between February 10 and 13, 2015.

A total of 33 participants from 27 member administrations attended the Workshop. Four facilitators, one each from the WCO and the ROCB A/P, and a WCO Accredited Risk Management Advisor from Japan Customs and another WCO Accredited Risk Management Advisor from Sri Lanka Customs, were present to lead the discussions.

The four-day Workshop gave the participants an opportunity to better understand risk management with regard to the enforcement, security and facilitation requirements. They also realized that intelligence was the key component in risk management decision-making at the strategic, tactical and operational levels.

A WCO certificate was presented to each of the participants in recognition of their active participation and devotion upon completion of the Workshop.



The Assistant Commissioner (Administration and Human Resource Development), Mr Lin Shun-yin (middle, front row), in a group photo with facilitators and participants of the WCO Regional Workshop on Intelligence Management.