

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB181

Question Serial No.

5474

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

With regard to the indicators for measuring performance under the above programme, please advise on the following:

Please list the numbers of smuggling cases with seizure as well as the numbers of persons arrested at each control point in 2012. Among the persons arrested, how many of them were aged below 18?

Asked by: Hon. CHAN Hak-kan

Reply:

In 2012, the total number of smuggling cases detected by the Customs and Excise Department at various control points was 21 640. A total of 11 125 suspects were arrested, of whom 28 were aged below 18. Please see the following table for details:

	<u>Number of cases</u>	<u>Number of persons arrested</u>
<u>Control point</u>		
Hong Kong International Airport	3 940	141
Lo Wu Control Point	7 934	5 362
Lok Ma Chau Control Point	3 869	1 403
Lok Ma Chau Spur Line Control Point	2 728	2 088
Shenzhen Bay Control Point	1 697	1 210
Sha Tau Kok Control Point	263	131
Man Kam To Control Point	92	95
Hung Hom Through Train Station	214	124
Hong Kong-China Ferry Terminal	445	196

Hong Kong-Macau Ferry Terminal	428	349
Tuen Mun Ferry Pier	30	26
Total	21 640	11 125

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB182

Question Serial No.

1864

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

In 2013-14, the provision in Programme 2 has been increased by \$6.2 million as compared with 2012-13. However, only one additional post is required to be created under the programme. Please explain which aspect(s) of the newly created post (rank, nature and operational expenses) has (have) caused the increase in the estimate.

Asked by: Hon. CHEUNG Wah-fung, Christopher

Reply:

In 2013-14, the provision in Programme 2 of the Customs and Excise Department has been increased by \$6.2 million. Apart from the creation of an Assistant Clerical Officer post to provide support to the Licensing and Liaison Unit of the Controlled Chemicals Group, the provision is mainly allocated for the repair and maintenance of drug detection devices and data processing equipment, and the hiring of professional services for complicated cases.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 26.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB183

Question Serial No.

1303

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Please advise the Committee on the expenditure, staffing establishment, effectiveness and prosecution status in respect of the enforcement work against parallel trade activities last year. What are the specific measures in 2013-14? How much expenditure and manpower will be deployed in carrying out work against parallel goods? In addition, are there any statistics on the major types of goods and visitors involved in parallel trade activities, and the number of people among Mainland visitors holding "multiple-entry permits" involved in making multiple entries into Hong Kong and engaging in parallel trade activities? How many Hong Kong travellers are involved in parallel trade activities as well? How many visitors who made multiple entries and carried large amounts of goods were rejected last year, and how many of them have been added to the watch list? Please tabulate the said information covering figures of the past 12 months.

Asked by: Hon. CHUNG Kwok-pan

Reply:

The Customs and Excise Department (C&ED) has flexibly deployed internal resources to ensure smooth clearance at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management. Besides, the Shenzhen and Hong Kong authorities have conducted joint operations against parallel trade activities since September last year. As at February this year, C&ED had detected 4 339 cases and seized smuggling goods including duty-not-paid cigarettes, liquors and electronic equipment with a total value of \$30.79 million. C&ED will continue to ensure smooth clearance at various control points in 2013-14.

As for the numbers of Mainlanders holding "multiple-entry permits" and local residents who have engaged in parallel trade activities, the Immigration Department stated that they did not have such breakdown. From September last year to February this year, a total of 3 444 incoming visitors were rejected entry due to suspected parallel trade activities. Details are as follows:

	2012				2013		Total
	September	October	November	December	January	February	
Number of visitors who were rejected entry due to suspected parallel trade activities	39	230	448	311	929	1 487	3 444

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB184

Question Serial No.

0516

Head: 31 Customs and Excise Department

Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

Regarding the departmental records management work over the past three years (2010-11, 2011-12, 2012-13):

- Please provide information on the number and rank of officers designated to perform such work. If there is no officer designated for such work, please provide information on the number of officers and the hours of work involved in records management duties, and the other duties they have to undertake in addition to records management;
- Please list in the table below information on programme and administrative records which have been closed pending transfer to the Government Records Service (GRS) for appraisal:

Category of records	Years covered by the records	Number and linear metres of records	Retention period approved by GRS	Are they confidential documents

- Please list in the table below information on programme and administrative records which have been transferred to GRS for retention:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

- Please list in the table below information on records which have been approved for destruction by GRS:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. Day-to-day records management in the Customs and Excise Department (C&ED) is mainly taken up by clerical and secretarial staff, in addition to their administrative support and clerical duties. The Department does not have a breakdown of the hours of work spent on records management by the aforesaid staff. Moreover, C&ED appoints the Departmental Secretary (of the Chief Executive Officer rank) to act as the Departmental Records Manager, and a Superintendent of Customs and Excise / Chief Trade Controls Officer or an officer of equivalent rank as the Assistant Departmental Records Manager to supervise records management.
2. There were no closed programme and administrative records pending transfer to the Government Records Service (GRS) for appraisal in the Department over the past three years (2010-11 to 2012-13).
3. Information on the Department's programme and administrative records which have been transferred to GRS for retention over the past three years (2010-11 to 2012-13) is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative records	1972-2004	6 files and less than 1 linear metre	2012	Permanent retention	No
Programme records	-	-	-	-	-

4. Information on records which have been approved for destruction by GRS over the past three years (2010-11 to 2012-13) is as follows:

Category of records	Years covered by the records	Number and linear metres of records	Years that the records were transferred to GRS	Retention period approved by GRS	Are they confidential documents
Administrative records	1973-2010	23 949 files and 846 linear metres (mostly application forms for employment)	Not applicable	2-7 years	No
Programme records	1974-2011	7 581 052 files and 4 004 linear metres (mostly import and export cargo manifests)	Not applicable	2-7 years	26 files are confidential

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB185

Question Serial No.

3674

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

Regarding the arrangements for strip searches and rectal examinations conducted by the Department, please provide the following information:

1. the numbers of searches not involving removal of clothing, searches involving removal of clothing and those involving removal of underwear conducted, the number of non-local residents involved and a breakdown of the nature of the crimes involved in the past five years (2008-2012);
2. existing guidelines and training manual on conducting strip searches and rectal examinations, and the ranks of officers who make the decision to conduct strip searches and rectal examinations;
3. whether the Department has made any improvement on the arrangements for strip searches and rectal examinations in the past five years and the relevant details. If no, what are the reasons?
4. whether the Department has plans to adopt the Correctional Services Department's measure of introducing low radiation X-ray body scanners in place of strip searches and rectal examinations. If yes, what are the details? If no, what are the reasons?

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. The information of the cases in which personal searches were conducted by the Customs and Excise Department at control points in the past five years is as follows:

Year	Number of cases	Removal of clothing not required	Removal of outerwear required	Removal of all clothing required	Number of non-local residents	Number of arrested persons*
2008	71 148	35 013	35 028	1 107	29 703	7 817
2009	77 155	35 972	39 549	1 634	29 831	10 291
2010	81 101	33 146	46 099	1 856	29 746	7 843
2011	79 064	30 352	47 282	1 430	26 440	10 402
2012	82 726	27 530	54 033	1 163	29 062	11 833

* The Department does not have any breakdown by nature of the crimes currently. Generally speaking, most of the crimes involve contravention of the Dutiable Commodities Ordinance, the Import and Export Ordinance or the Dangerous Drugs Ordinance.

2. According to the Customs and Excise Service Ordinance (Cap. 342) and the Import and Export Ordinance (Cap. 60), members of the Customs and Excise Service can conduct searches on inbound and outbound persons. The Department has provided guidelines and training on conducting strip searches and rectal examinations for frontline officers. All decisions to conduct strip searches must be made by officers at the rank of Senior Customs Officer or above. If rectal examinations are deemed necessary, the persons concerned will be sent to public hospitals for conducting examinations with permission from officers at the inspectorate rank.

3&4. The Customs and Excise Department has been keeping abreast of the latest development of detection technology, and will introduce the “passive millimetre wave screening system”, a non-intrusive inspection device which detects contraband concealed underneath clothing, at the Hong Kong International Airport and Kai Tak Cruise Terminal in the second quarter of this year. The Department will draw on the experience of other law enforcement agencies from time to time with a view to enhancing efficiency while minimizing inconvenience to travellers.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB186

Question Serial No.

5479

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

The increase in the estimated provision under this programme for 2013-14 is mainly due to an increase of 69 posts. Please state the posts and specify their duties.

Asked by: Hon. IP Kwok-him

Reply:

The 69 posts to be increased by the Customs and Excise Department in 2013-14 involve an additional salary provision of \$22.73 million. They are mainly created for combating smuggling activities at control points and drug trafficking activities at the Airport, coping with the operation of the air cargo terminal at Hong Kong International Airport and the Kai Tak Cruise Terminal, promoting the Hong Kong Authorized Economic Operator Programme as well as optimizing the clearance arrangement for cross-boundary students and passengers. The recruitment exercise will commence in the first half of 2013. Details are as follows:

Rank	Number of Posts	Rank	Number of Posts
Senior Inspector of Customs and Excise	5	Chief Customs Officer	5
Inspector of Customs and Excise	7	Senior Customs Officer	14
Senior Clerical Officer	1	Customs Officer	37
Total number of new posts		69	

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB187

Question Serial No.

2720

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

Please provide the figures on the arrests made by the Customs and Excise Department in enforcing the Import and Export Ordinance at various control points in the past 5 years (i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13). What is the estimated provision earmarked by the Department for enforcing the Import and Export Ordinance in 2013-14?

Asked by: Hon. KWOK Ka-ki

Reply:

The figures on the arrests made in enforcing the Import and Export Ordinance at various control points in the past 5 years are as follows:

Year	Number of arrests
2008-09	399
2009-10	260
2010-11	239
2011-12	237
2012-13 (As at 28 February 2013)	148

The expenditure involved in the work under Programme (1) Control and Enforcement by the Customs and Excise Department (C&ED) in 2013-14 will be \$2,287.9 million. However, a breakdown of the number of officers involved is not available since enforcement of the Import and Export Ordinance is one of the general duties of C&ED.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB188

Question Serial No.

3072

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development / Secretary for Security /
Secretary for Financial Services and the Treasury

Question:

Please list out in a table the amount of the following items seized by the Customs and Excise Department within Hong Kong and the number of persons involved in the past 5 years.

		Narcotics	Firearms	Strategic goods	Dutiable commodities	Articles which infringe copyright	Articles which infringe trade descriptions
2008	Amount						
	Number of persons involved						
2009	Amount						
	Number of persons involved						
2010	Amount						
	Number of persons involved						
2011	Amount						
	Number of persons involved						
2012	Amount						

	Number of persons involved						
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Asked by: Hon. KWOK Ka-ki

Reply:

The numbers of cases detected (Note 1) and persons arrested by the Customs and Excise Department in the past 5 years are listed as follows:

		Narcotics	Firearms	Strategic goods	Dutiable commodities	Articles which infringe copyright	Infringement of trade descriptions
2008	Number of cases	685	10	5	25 209	7 679	1 824
	Number of persons arrested	648	3	0	5 462	987	860
2009	Number of cases	544	22	7	20 147	6 372	1 698
	Number of persons arrested	490	17	3	8 327	1 109	954
2010	Number of cases	427	20	12	19 458	610	947
	Number of persons arrested	369	14	0	6 449	532	832
2011	Number of cases	447	19	14	19 799	323	647
	Number of persons arrested	416	11	2	9 670	436	543
2012	Number of cases	478	20	4	21 811	116	533
	Number of persons arrested	433	14	0	11 545	166	506

Note 1: Since the items seized fall under different categories involving different measurement units, we list the number of cases instead of the amount of items seized.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB189

Question Serial No.

3073

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

In the past 5 years (i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13), how many cases relating to organised drugs syndicates and individual drug offenders were detected by the Customs and Excise Department? How many persons were arrested?

Asked by: Hon. KWOK Ka-ki

Reply:

In the past 5 years, the numbers of drug trafficking cases detected and persons arrested by the Customs and Excise Department were as follows:

	2008	2009	2010	2011	2012
No. of cases	149	144	170	185	214
No. of persons arrested	163	157	177	205	211

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB190

Question Serial No.

3074

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

In the past 5 years (i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13), how many drug workshop and distribution centre were detected by the Customs and Excise Department within Hong Kong?

Asked by: Hon. KWOK Ka-ki

Reply:

In the past 5 years, the numbers of drug manufacturing workshop and distribution centre detected by the Customs and Excise Department within Hong Kong were as follows:

	2008	2009	2010	2011	2012
Drug Manufacturing Workshop	-	1	2	-	-
Drug Distribution Centre	10	8	15	11	3

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB191

Question Serial No.

2159

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

Under Programme (1), provision for 2013-14 will be increased by \$277.5 million (13.8%). In this connection, please advise this Committee of the proportion of resources, reason for increase, distribution of posts and recruitment schedule in respect of the 69 posts estimated to be increased.

Asked by: Hon. KWOK Wai-keung

Reply:

The 69 posts to be increased by the Customs and Excise Department in 2013-14 involve an additional salary provision of \$22.73 million, accounting for about 8% of the overall increase under Programme (1). They are mainly created for combating smuggling activities at control points and drug trafficking activities at the Airport, coping with the operation of the air cargo terminal at Hong Kong International Airport and the Kai Tak Cruise Terminal, promoting the Hong Kong Authorized Economic Operator Programme as well as optimizing the clearance arrangement for cross-boundary students and passengers. The recruitment exercise will commence in the first half of 2013. Details are as follows:

Rank	Number of Posts	Rank	Number of Posts
Senior Inspector of Customs and Excise	5	Chief Customs Officer	5
Inspector of Customs and Excise	7	Senior Customs Officer	14
Senior Clerical Officer	1	Customs Officer	37
Total number of new posts		69	

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB192

Question Serial No.

3289

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

Has additional manpower been deployed to conduct interception or have more efficient means of inspection been employed at various control points in light of the prevalent parallel trade activities in recent years?

Asked by: Hon. KWOK Wai-keung

Reply:

In view of the satisfactory results of the joint effort of the Shenzhen and Hong Kong authorities against parallel trade activities since September last year, both sides have decided to make it a routine operation to serve as a long term deterrent. In 2013-14, the Customs & Excise Department will continue to flexibly deploy resources to ensure smooth clearance at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB193

Question Serial No.

1517

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary
for Commerce and Economic Development

Question:

Would the Administration inform this Committee of the amount of resources and manpower earmarked by the Customs and Excise Department for combating parallel trade activities in 2013-14 and the specific action plan to reduce the number of Mainland parallel traders?

Asked by: Hon. KWOK, Dennis

Reply:

In view of the satisfactory results of the joint effort of the Shenzhen and Hong Kong authorities against parallel trade activities since September last year, both sides have decided to make it a routine operation to serve as a long-term deterrent. In 2013-14, the Customs and Excise Department will continue to flexibly deploy internal resources to ensure smooth clearance at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB194

Question Serial No.

1102

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

- (a) What were the amounts of milk powder, daily commodities and electronic products confiscated by the Customs and Excise Department in 2012 and their respective total values?
- (b) How will the confiscated products be disposed of?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

(a) In 2012, the Customs and Excise Department (C&ED) seized 150 kilograms of milk powder and about 1 million units of electrical/electronic products in accordance with the "Offence of importing or exporting unmanifested cargo" under the Import and Export Ordinance, and their respective total values were \$40,000 and \$56 million. Currently, C&ED does not keep separate statistics for daily commodities seized.

(b) Upon completion of all legal proceedings, all confiscated goods will either be destroyed or put up for sale in public auction in accordance with the Stores and Procurement Regulations.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB195

Question Serial No.

0755

Head: 31 Customs and Excise Department Subhead (No. & title): 000 Operational expenses

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

The Customs and Excise Department expects that there will be a net increase of 99 posts in 2013-14. What are their duties and ranks? What are the justifications for such an increase? What is the expenditure involved? Among the new posts, how many are dedicated to combating parallel traders? What is the estimated expenditure involved?

Asked by: Hon. LAM Tai-fai

Reply:

The Customs and Excise Department will increase 99 posts in 2013-14, involving an additional salary provision of \$33.5 million. They are mainly created for combating smuggling activities at control points and drug trafficking activities at the Airport, coping with the operation of the air cargo terminal at Hong Kong International Airport and the Kai Tak Cruise Terminal, curbing the trend of telephone ordering of illicit cigarettes, enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance, promoting the Hong Kong Authorized Economic Operator Programme, as well as optimizing the clearance arrangement for cross-boundary students and passengers. Details are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Senior Inspector of Customs and Excise	8	-
Inspector of Customs and Excise	11	-
Chief Customs Officer	8	-
Senior Customs Officer	22	-
Customs Officer	49	-
Senior Clerical Officer	1	-
Assistant Clerical Officer	1	-
Senior Typist	-	1
Posts to be created	100	
Posts to be deleted		1

Rank	Number
Net increase of posts	99

In 2013-14, the Customs and Excise Department will flexibly deploy internal resources to ensure smooth clearance at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management, and continue to work with the Shenzhen Customs to combat parallel trade activities.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB196

Question Serial No.

3748

Head: 31 Customs and Excise Department

Subhead (No. & title): (661) Minor plant, vehicles and equipment (block vote)

Programme:

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

In the estimate of the Customs and Excise Department for 2013-14, the provision of \$39,050,000 under Subhead 661 Minor plant, vehicles and equipment (block vote) represents an increase of \$19,192,000 (96.6%) over the revised estimate for 2012-13. This is mainly due to increased requirement for new and replacement equipment. Please give details of the number, expenditure and purpose of such plant, vehicles and equipment, as well as the means of disposal of the old plant, vehicles and equipment that have been replaced.

Asked by: Hon. LAM Tai-fai

Reply:

The breakdown of the items under Subhead 661 Minor plant, vehicles and equipment in the estimate of the Customs and Excise Department (C&ED) for 2013-14 is as follows:

Items	Estimated expenditure
Replacement/addition of equipment such as X-ray machines and various contraband detectors for control points	32,698,000
Replacement of closed-circuit television security devices and air-conditioning systems for control points and offices	2,593,000
Replacement of operational equipment such as thermal imagers to maintain the efficiency of investigation	1,899,000
Replacement of the elevator control system, and the equipment such as hydraulic platforms at the Cargo Examination Compound, of the Kwai Chung Customhouse	1,860,000
Total:	39,050,000

The C&ED will dispose of the replaced equipment, devices, systems and apparatus by means of, among others, trade-in and auction according to the Stores and Procurement Regulations.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB197

Question Serial No.

1463

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

As the Hong Kong-Zhuhai-Macao Bridge is due for completion in 2016, please advise whether the Customs and Excise Department has taken corresponding measures and made plans for staffing provision to cope with the additional cross-boundary passenger and cargo flows. If yes, what are the details? If no, what are the reasons?

Asked by: Hon. LO Wai-kwok

Reply:

The Customs and Excise Department has carried out an initial assessment on the effects of Hong Kong-Zhuhai-Macao Bridge on cross-boundary traffic flow upon its completion. Subject to the progress of the project and needs, the Department will apply for additional resources in accordance with the established mechanism.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB198

Question Serial No.

2520

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme:

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

The Customs and Excise Department estimates that there will be an increase of 99 non-directorate posts in 2013-14. In this regard, would the Administration please provide the following information:

- a) the number of posts to be deleted and created by the Department by **programme, rank and function**;
- b) the establishment and the strength of each rank by programme in 2012-13 and the estimated figures of such in 2013-14.

Asked by: Hon. POON Siu-ping

Reply:

- a) The Customs and Excise Department will increase 99 posts in 2013-14, which are mainly created for combating smuggling activities at control points and drug trafficking activities at the Airport, coping with the operation of the air cargo terminal at Hong Kong International Airport and the Kai Tak Cruise Terminal, curbing the activities of telephone ordering of illicit cigarettes, enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance, promoting the Hong Kong Authorized Economic Operator Programme as well as optimizing the clearance arrangement for cross-boundary students and passengers. Details are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Programme (1)		
Senior Inspector of Customs and Excise	5	-
Inspector of Customs and Excise	7	-
Chief Customs Officer	5	-
Senior Customs Officer	14	-
Customs Officer	37	-
Senior Clerical Officer	1	-
Sub-total:	69	0

Programme (2)		
Assistant Clerical Officer	1	-
Sub-total:	1	0
Programme (3)		
No creation or deletion of posts	-	-
Programme (4)		
Senior Inspector of Customs and Excise	3	-
Inspector of Customs and Excise	4	-
Chief Customs Officer	3	-
Senior Customs Officer	8	-
Customs Officer	12	-
Sub-total:	30	0
Programme (5)		
Senior Typist	-	1
Sub-total:	0	1
Posts to be created	100	
Posts to be deleted	1	
Net increase of posts	99	

b) The establishment in 2012-13 and the estimated establishment in 2013-14 are as follows:-

Financial year	Programme (1)	Programme (2)	Programme (3)	Programme (4)	Programme (5)	Total
2012-13	4 350	294	517	346	342	5 849
2013-14	4 419	295	517	376	341	5 948

The establishment and the strength of each rank in 2012-13 are as follows:

Rank	Establishment (Strength*)	Rank	Establishment (Strength*)
Commissioner of Customs and Excise	1 (1)	Statistician	1 (1)
Deputy Commissioner of Customs and Excise	1 (1)	Statistical Officer I	2 (2)
Assistant Commissioner of Customs and Excise	3 (4)	Statistical Officer II	2 (2)
Administrative Officer Staff Grade C	1 (0)	Armourer I	1 (1)
		Armourer III	1 (1)

Senior Principal Trade Controls Officer	1 (1)
Chief Superintendent of Customs and Excise	2 (2)
Senior Superintendent of Customs and Excise	16 (15)
Superintendent of Customs and Excise	31 (23)
Assistant Superintendent of Customs and Excise	76 (76)
Senior Inspector of Customs and Excise	307 (291)
Inspector of Customs and Excise	437 (446)
Chief Customs Officer	311 (294)
Senior Customs Officer	1 082 (913)
Customs Officer	2 455 (2 450)
Principal Trade Controls Officer	6 (5)
Chief Trade Controls Officer	26 (24)
Senior Trade Controls Officer	83 (85)
Trade Controls Officer	203 (196)
Assistant Trade Controls Officer	151 (140)
Chief Executive Officer	1 (1)
Senior Executive Officer	4 (4)
Executive Officer I	17 (15)
Executive Officer II	4 (6)
Senior Treasury Accountant	1 (1)
Treasury Accountant	4 (4)
Senior Accounting Officer	1 (0)
Accounting Officer I	6 (5)
Accounting Officer II	1 (3)
Senior Training Officer	1 (1)
Training Officer I	1 (1)
Senior Official Languages Officer	1 (1)
Official Languages Officer I	3 (3)
Official Languages Officer II	14 (14)
Calligraphist	1 (1)
Senior Personal Secretary	1 (1)
Personal Secretary I	6 (6)

Senior Systems Manager	1 (3)
Systems Manager	4 (4)
Analyst / Programmer I	14 (17)
Analyst / Programmer II	6 (4)
Assistant Computer Operation Manager	1 (1)
Senior Computer Operator	1 (1)
Computer Operator I	10 (9)
Computer Operator II	10 (9)
Assistant Data Preparation Supervisor	4 (3)
Senior Confidential Assistant	1 (1)
Confidential Assistant	7 (7)
Senior Clerical Officer	7 (6)
Clerical Officer	27 (26)
Assistant Clerical Officer	121 (114)
Clerical Assistant	99 (94)
Office Assistant	25 (22)
Chief Supplies Officer	1 (0)
Senior Supplies Officer	0 (1)
Supplies Officer	4 (2)
Assistant Supplies Officer	3 (5)
Senior Supplies Supervisor	1 (0)
Supplies Supervisor I	11 (12)
Supplies Supervisor II	24 (25)
Supplies Assistant	11 (11)
Telephone Operator	1 (1)
Special Driver	22 (17)
Motor Driver	61 (66)
Workman II	46 (35)
Cook	1 (1)
Leisure Services Manager	1 (1)

Personal Secretary II	22 (21)	Assistant Leisure Services Manager II	1 (1)
Senior Typist	3 (3)	Senior Launch Master	6 (4)
Typist	9 (9)	Launch Assistant	9 (6)
Senior Divisional Occupational Safety Officer	1 (1)	Special Photographer I	1 (0)
Transport Services Officer I	1 (1)	Special Photographer II	3 (0)
Management Services Officer I	1 (1)	Total	5 849 (5 586)

*The strength as at 31 January 2013, including those officers who are on pre-retirement leave.

The estimated establishment of each rank in 2013-14 is given below. Figures on strength cannot be ascertained due to various factors like resignation and early retirement:

Rank	Establishment	Rank	Establishment
Commissioner of Customs and Excise	1	Statistician	1
Deputy Commissioner of Customs and Excise	1	Statistical Officer I	2
Assistant Commissioner of Customs and Excise	3	Statistical Officer II	2
Administrative Officer Staff Grade C	1	Armourer I	1
Senior Principal Trade Controls Officer	1	Armourer III	1
Chief Superintendent of Customs and Excise	2	Senior Systems Manager	1
Senior Superintendent of Customs and Excise	16	Systems Manager	4
Superintendent of Customs and Excise	31	Analyst / Programmer I	14
Assistant Superintendent of Customs and Excise	76	Analyst / Programmer II	6
Senior Inspector of Customs and Excise	315	Assistant Computer Operation Manager	1
Inspector of Customs and Excise	448	Senior Computer Operator	1
Chief Customs Officer	319	Computer Operator I	10
Senior Customs Officer	1 104	Computer Operator II	10
Customs Officer	2 504	Assistant Data Preparation Supervisor	4
Principal Trade Controls Officer	6	Senior Confidential Assistant	1
Chief Trade Controls Officer	26		

Senior Trade Controls Officer	83	Confidential Assistant	7
Trade Controls Officer	203	Senior Clerical Officer	8
Assistant Trade Controls Officer	151	Clerical Officer	27
Chief Executive Officer	1	Assistant Clerical Officer	122
Senior Executive Officer	4	Clerical Assistant	99
Executive Officer I	17	Office Assistant	25
Executive Officer II	4	Chief Supplies Officer	1
Senior Treasury Accountant	1	Supplies Officer	4
Treasury Accountant	4	Assistant Supplies Officer	3
Senior Accounting Officer	1	Senior Supplies Supervisor	1
Accounting Officer I	6	Supplies Supervisor I	11
Accounting Officer II	1	Supplies Supervisor II	24
Senior Training Officer	1	Supplies Assistant	11
Training Officer I	1	Telephone Operator	1
Senior Official Languages Officer	1	Special Driver	22
Official Languages Officer I	3	Motor Driver	61
Official Languages Officer II	14	Workman II	46
Calligraphist	1	Cook	1
Senior Personal Secretary	1	Leisure Services Manager	1
Personal Secretary I	6	Assistant Leisure Services Manager II	1
Personal Secretary II	22	Senior Launch Master	6
Senior Typist	2	Launch Assistant	9
Typist	9	Special Photographer I	1
Senior Divisional Occupational Safety Officer	1	Special Photographer II	3
Transport Services Officer I	1		
Management Services Officer I	1	Total	5 948

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
@INITIAL WRITTEN / SUPPLEMENTARY QUESTION**

SB199

Question Serial No.

2532

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

The total amount of cocaine, ketamine, poisons and anti-biotics seized by the Customs and Excise Department in Hong Kong in 2012 increased several times as compared to 2011. Regarding this, would the Administration please provide the following information:

- a) Has the Administration identified the reasons? Does it imply that there is a significant increase in the cases of drug abuse or misuse of drugs?
- b) Are there any measures to further combat drug-related crimes? If yes, what are the details?

Asked by: Hon. POON Siu-ping

Reply:

The significant increase in the dangerous drugs seized by the Customs and Excise Department (C&ED) in 2012 over 2011 was mainly attributed to the detection of two major cases involving 412 kilograms of ketamine and 649 kilograms of cocaine respectively.

To prevent the inflow of drugs into Hong Kong or the transshipment of drugs to other places, C&ED will continue to strengthen ties with Mainland and overseas law enforcement agencies through intelligence sharing, cross-boundary co-operation, and step up rigorous enforcement actions at control points to curb cross-boundary drug trafficking crime at source. C&ED will also beef up anti-drug publicity at the control points.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB200

Question Serial No.

0170

Head: 31 Customs and Excise Department

Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Please provide the following information on the commissioning of services from “employees of intermediary organisations”:

Asked by: Hon. WONG Kwok-hing

Reply:

The information on the commissioning of services from “employees of intermediary organisations” by the Customs and Excise Department (C&ED) is as follows:

		2012-13 (Position as at 31.1.2013)
Number of contracts of engaging intermediary organisations	T-contract (Note 1)	121 (-3.2%)
Contract sum paid to each intermediary organisation	T-contract (Note 1)	\$7,000 to \$20,942,000 (Not applicable)
Total amount of commission paid to each intermediary organisation	T-contract (Note 1)	The total amount or the rate of commission is not stipulated in the contracts which government departments enter into with intermediary organisations.
Length of contract for each intermediary organisation	T-contract (Note 1)	1 month to 12 months (Not applicable)

		2012-13 (Position as at 31.1.2013)
Number of employees of intermediary organisations	T-contract (Note 1)	1 to 41 (Not applicable)
Distribution of the posts held by employees of intermediary organisations	T-contract (Note 1)	Information technology support and system development
Distribution of monthly salary level of employees of intermediary organisations <ul style="list-style-type: none"> • \$30,001 or above • \$16,001 - \$30,000 • \$8,001 - \$16,000 • \$6,501 - \$8,000 • \$6,240 - \$6,500 • Below \$6,240 	T-contract (Note 1)	A T-contract only stipulates charges involved in the provision of manpower by an intermediary organisation, and does not include a more detailed breakdown.
Length of employment of employees of intermediary organisations <ul style="list-style-type: none"> • Above 15 years • 10 - 15 years • 5 - 10 years • 3 - 5 years • 1 - 3 years • less than 1 year 	T-contract (Note 1)	A T-contract only stipulates the length of service of an intermediary organisation and does not stipulate obligatorily the length of services of the employees.
Percentage of employees of intermediary organisations in the total number of staff of the department	T-contract (Note 1)	2.0% (-9.1%)
Percentage of the amount paid to intermediary organisations in the total staff cost of the department	T-contract (Note 1)	2.3% (+15%)

		2012-13 (Position as at 31.1.2013)
Number of employees of intermediary organisations with remunerated meal break	T-contract (Note 1)	Intermediary organisations are required to undertake to pay the minimum level of wage to the employees with reference to the data of related industries/occupations published by the Census and Statistics Department, but there is no obligatory stipulation of whether the meal breaks are remunerated in the contracts. Since intermediary organisations supply manpower to work in the C&ED under contracts, whether the meal breaks are remunerated and the number of working days per week depend on the related terms of employment.
Number of employees of intermediary organisations without remunerated meal break		
Number of employees of intermediary organisations working 5 days a week		
Number of employees of intermediary organisations working 6 days a week		

() denotes percentage of change compared with the same period in 2011-12

Note 1 T-contract refers to the term contract centrally administered by the Office of the Government Chief Information Officer. Apart from T-contract, the Department did not engage employees provided by other intermediary organisations in 2012-13.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB201

Question Serial No.

0171

Head: 31 Customs and Excise Department Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

Please provide the information on engaging “workers through outsourcing service contracts”:

Asked by: Hon. WONG Kwok-hing

Reply:

The information on engaging “workers through outsourcing service contracts” of the Customs and Excise Department is as follows –

	2012-13 (Position as at 6.3.2013)
Number of outsourcing service contracts	23 (+4.5%)
Total sum paid to outsourcing service providers	\$28,801,127 (-21.2%)
Length of contract for each outsourcing service provider	3 months to 2 years (Not applicable)
Number of workers engaged through outsourcing service providers	214 (-22.2%)
Distribution of the posts held by outsourcing service contract workers (e.g. customer service, property management, security, cleansing and information technology)	Property management, security and cleansing
Distribution of monthly salary level of workers engaged through outsourcing service contract <ul style="list-style-type: none"> • \$30,001 or above • \$16,001 - \$30,000 • \$8,001 - \$16,000 • \$6,501 - \$8,000 • \$6,240 - \$6,500 • \$6,240 or below 	Outsourcing service providers are required to undertake to pay the level of wage of non-technical employees with reference to the data of related industries/occupations published by the Census and Statistics Department or by adopting the statutory minimum wage and including one paid rest day per week (whichever is higher).

	2012-13 (Position as at 6.3.2013)
Length of employment of outsourcing service contract workers <ul style="list-style-type: none"> • 15 years above • 10 - 15 years • 5 - 10 years • 3 - 5 years • 1 - 3 years • less than 1 year 	The contracts by which government departments procure outsourcing services do not stipulate the length of employment of the employees.
Percentage of outsourcing service contract workers in the total number of staff of the department	3.6% (-25.0%)
Percentage of the amount paid to outsourcing service contract providers in the total staff cost of the department	1.3% (-27.8%)
Number of outsourcing service contract workers with remunerated meal break Number of outsourcing service contract workers without remunerated meal break	Outsourcing service providers are required to undertake to pay the level of wage of non-technical employees with reference to the data of related industries/occupations published by the Census and Statistics Department or by adopting the statutory minimum wage and including one paid rest day per week (whichever is higher), but there is no obligatory stipulation of whether the meal breaks are remunerated.
Number of outsourcing service contract workers working 5 days a week Number of outsourcing service contract workers working 6 days a week	The contracts by which government departments procure outsourcing services do not stipulate obligatorily the number of working days per week of the employees.

() denotes the percentage of change compared with the same period in 2011-12

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB202

Question Serial No.

0172

Head: 31 Customs and Excise Department

Subhead (No. & title): 000 Operational expenses

Programme:

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

Please provide the following information regarding the employment of non-civil service contract (NCSC) staff:

Asked by: Hon. WONG Kwok-hing

The information regarding the employment of non-civil service contract (NCSC) staff by the Customs and Excise Department (C&ED) is as follows –

	2012-13 (Position as at 31.12.2012)
Number of NCSC staff	14 (-26.3%)
Distribution of NCSC staff posts	<ul style="list-style-type: none"> • 1 Accounting Assistant • 6 Executive Assistants • 7 General Clerks
Expenditure on the salaries of NCSC staff	\$3.004 million (-8.4%)
Distribution of monthly salary level of NCSC staff	
<ul style="list-style-type: none"> • \$30,001 or above 	0 (-100%)
<ul style="list-style-type: none"> • \$16,001 - \$30,000 	7 (+75%)
<ul style="list-style-type: none"> • \$8,001 - \$16,000 	7 (-50%)
<ul style="list-style-type: none"> • \$6,501 - \$8,000 	0
<ul style="list-style-type: none"> • \$6,240 - \$6,500 	0
<ul style="list-style-type: none"> • \$6,240 or below 	0

	2012-13 (Position as at 31.12.2012)
Length of employment of NCSC staff	
• 15 years or above	0
• 10 – 15 years	0
• 5 – 10 years	0 (-100%)
• 3 – 5 years	4 (+100%)
• 1 – 3 years	5 (0%)
• less than 1 year	5 (-50%)
Number of NCSC staff successfully converted to civil servants	(Note 1)
Number of NCSC staff failed to convert to civil servants	(Note 1)
Percentage of NCSC staff in the total number of staff of the department	0.24% (-29.4%)
Percentage of staff cost on NCSC staff in the total staff cost of the department	0.14% (-17.6%)
Number of NCSC staff with remunerated meal break	14
Number of NCSC staff without remunerated meal break (Note 2)	Not applicable
Number of NCSC staff working 5 days a week	14
Number of NCSC staff working 6 days a week (Note 2)	Not applicable
Number of NCSC staff applying for paternity leave	0 (Note 3)
Number of NCSC staff whose application is approved	0 (Note 3)

() denotes the percentage of change compared with the same period in 2011-12

Note 1 The C&ED does not have the information concerned. Also, NCSC staff are not required to declare the information concerned to the C&ED.

Note 2 All NCSC staff employed by the C&ED work 5 days a week with remunerated meal break.

Note 3 From 1 April 2012, NCSC staff are eligible for paternity leave. However, no such application has been received by the C&ED so far.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB203

Question Serial No.

3937

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

In connection with the enhanced enforcement measures against parallel traders in recent months, how much additional manpower has been deployed by the Customs and Excise Department (C&ED) and what is the additional expenditure involved? Has the C&ED increased financial provision for combating parallel traders in the Estimate for 2013-14? If yes, what is the amount?

Asked by: Hon. WONG Kwok-kin

Reply:

In view of the satisfactory results of the joint effort of the Shenzhen and Hong Kong authorities against parallel trade activities since September last year, both sides have decided to make it a routine operation to serve as a long term deterrent. In 2013-14, the Customs & Excise Department will continue to flexibly deploy resources to ensure smooth clearance at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB204

Question Serial No.

3096

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

How would the Customs and Excise Department deal with the contraband or prohibited goods seized in the last 3 years, including pirated products, leather and seafood, as well as the excessive quantity of baby formula seized from cross-boundary passengers recently? How much financial resources and manpower are involved?

Asked by: Hon. WONG Ting-kwong

Reply:

Upon completion of all legal proceedings, the confiscated goods will either be destroyed or put up for sale in public auction by the Customs and Excise Department in accordance with the Stores and Procurement Regulations. As the financial resources involved have been subsumed under the general operating expenditures, the Department does not have any breakdown figures for the work mentioned in the question.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB205

Question Serial No.

3151

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

The provision for 2013-14 is \$277.5 million (13.8%) higher than the revised estimate for 2012-13, partly due to an increase of 69 posts. Why so many posts are created? What are the duties of these posts? What is the total expenditure involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The 69 posts to be increased by the Customs and Excise Department in 2013-14 involve an additional salary provision of \$22.73 million. They are mainly created for combating smuggling activities at control points and drug trafficking activities at the Airport, coping with the operation of the air cargo terminal at Hong Kong International Airport and the Kai Tak Cruise Terminal, promoting the Hong Kong Authorized Economic Operator Programme as well as optimizing the clearance arrangement for cross-boundary students and passengers. Details are as follows:

Rank	Number of Posts	Rank	Number of Posts
Senior Inspector of Customs and Excise	5	Chief Customs Officer	5
Inspector of Customs and Excise	7	Senior Customs Officer	14
Senior Clerical Officer	1	Customs Officer	37
Total number of new posts		69	

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB206

Question Serial No.

2080

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

In 2013-14, the Administration will continue to improve clearance services to facilitate efficient passenger and cargo flows across the boundary. Please provide the details of the work concerned. Will new measures be introduced to further facilitate cross-boundary cargo flow? What will be the estimated expenditures involved? What is the progress of the study carried out together with the Mainland on the establishment of a third-party platform to facilitate cross-boundary cargo flow?

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

The Customs and Excise Department's (C&ED) estimated expenditure under the Programme "Control and Enforcement" in 2013-14 is \$2,288 million.

To ensure smooth passenger flow, C&ED will open new lanes for private cars and passengers at Lok Ma Chau Control Point. On facilitation of cargo flow, the Department has the following plans:

- (a) ensuring the smooth operation of the Road Cargo System and upgrading its functions so that shippers and truck drivers can continue with electronic submission of cargo data in advance to enhance risk management and increase clearance efficiency;
- (b) testing for the feasibility of the harmonization of the Hong Kong Intermodal Transshipment Facilitation Scheme and the Mainland Cross-boundary Express Clearance System at technical and operational levels under the principle of "separate monitoring with one lock across the boundary", meaning that both sides can monitor the movement of transshipment cargo with a single electronic lock, in order to achieve seamless clearance of cross-boundary cargo; and
- (c) making active efforts to take forward the Hong Kong Authorized Economic Operator Programme to encourage more companies to participate so as to enjoy the facilitation of priority clearance and reduced cargo inspections.

Besides, both Hong Kong and Mainland Customs have adopted the same data model developed by the World Customs Organization to facilitate synchronized submission of cargo data by the industries. As for synchronized declaration of cargo data through a "third-party platform", the Customs authorities of both sides are now making detailed deliberations on the possibility of its establishment.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB207

Question Serial No.

2085

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Commerce and Economic Development /
Secretary for Financial Services and the Treasury

Question:

The provision for 2013-14 is \$277.5 million (13.8%) higher than the revised estimate for 2012-13, partly due to an increase of 69 posts to meet operational needs. Please provide information on the ranks, duties and estimated expenditures of the posts which need to be increased.

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

The 69 posts to be increased by the Customs and Excise Department in 2013-14 involve an additional salary provision of \$22.73 million. They are mainly created for combating smuggling activities at control points and drug trafficking activities at the Airport, coping with the operation of the air cargo terminal at Hong Kong International Airport and the Kai Tak Cruise Terminal, promoting the Hong Kong Authorized Economic Operator Programme as well as optimizing the clearance arrangement for cross-boundary students and passengers. The recruitment exercise will commence in the first half of 2013. Details are as follows:

Rank	Number of Posts	Rank	Number of Posts
Senior Inspector of Customs and Excise	5	Chief Customs Officer	5
Inspector of Customs and Excise	7	Senior Customs Officer	14
Senior Clerical Officer	1	Customs Officer	37
Total number of new posts		69	

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

SB208

Question Serial No.

2171

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security

Question:

In recent years, drug abuse among youngsters has become very popular in Hong Kong, especially among those who can easily buy drugs such as ice, cocaine and ketamine in places of entertainment such as bars and discos.

Will the Administration please list the figures of drug trafficking by tourists in group tours and drug abuse in places of entertainment by inbound tourists for each of the past 3 years (i.e. 2010-11, 2011-12 and 2012-13), and state the future work objectives?

Asked by: Hon. YIU Si-wing

Reply:

In the past three years, the Customs and Excise Department (C&ED) has not handled any cases of drug abuse in places of entertainment by inbound tourists. Cases involving drug trafficking by tourists in group tours are as follows:

	2010	2011	2012
Total number of cases	1	3	5
Number of arrested persons	1	3	8
Drugs seized (kilogram)	0.72	3.52	9.4

To prevent the inflow of drugs into Hong Kong or the transshipment of drugs to other places, C&ED will continue to strengthen ties with Mainland and overseas law enforcement agencies through intelligence sharing, cross-boundary co-operation, and step up rigorous enforcement actions at control points to curb cross-boundary drug trafficking crime at source. C&ED will also beef up anti-drug publicity at the control points.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 25.3.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-SB09

Question Serial No.

S039

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

As mentioned in Reply Serial No. SB192, in view of the satisfactory results of the joint operation against parallel trade activities conducted by the Shenzhen and Hong Kong authorities since September last year, both sides have decided to upgrade it as a routine operation. Does the Administration expect that it will be necessary to increase the relevant manpower expenditure after the joint operation has become routine? If so, what are the details? If not, what are the reasons?

Asked by: Hon. KWOK Wai-keung

Reply:

The Customs and Excise Department mainly plays the roles of on-scene notification and intelligence investigation in the joint operations against parallel trade activities conducted by the Shenzhen and Hong Kong authorities. The additional work arising from these routine operations will be absorbed by flexible redeployment of the Department's existing resources allocated in this area.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 15.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-SB10

Question Serial No.

S040

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

Question:

According to media reports, parallel traders' modus operandi in smuggling is constantly changing. Therefore, it is expected that more import and export control measures will be required to combat smuggling in the future. Will the Administration increase the number of frontline Customs officers and the relevant provision accordingly? If so, what are the details? If not, what are the reasons?

Asked by: Hon. KWOK Wai-keung

Reply:

In view of the constantly changing modus operandi of smuggling syndicates, the Customs and Excise Department will strengthen control point management and intelligence investigation to tackle parallel trade activities at the source of supply, storage, distribution and delivery levels. We will also conduct reviews from time to time, and apply for additional resources if necessary in accordance with the established mechanism.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 15.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)240

Question Serial No.

3490

Head: 31 Customs and Excise Department

Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the specific measures as well as staffing provision estimated for 2013-14 for preventing and combating illegal activities related to counterfeit wine? What were the respective figures for the targeted investigations and enforcement actions carried out each year by the dedicated investigation team responsible for such activities under the Intellectual Property Investigation Bureau of the Customs and Excise Department for the last 3 years (i.e. 2010-11 to 2012-13)? What was the effectiveness?

Asked by: Hon. CHEUNG Yu-yan, Tommy

Reply:

The Intellectual Property Investigation Bureau of the Customs and Excise Department (C&ED) has established a 7-member dedicated investigation team since August 2008, consisting of 1 Senior Inspector, 1 Chief Customs Officer and 5 Customs Officers to tackle counterfeit wine and trade mark infringement activities. We will maintain the existing staffing provision in 2013-14.

C&ED has also formed an alliance with the wine industry since October 2008 to strengthen co-operation in intelligence collection and the monitoring of market activities. In May 2011, a specialist team was set up under the alliance to assist enforcement against counterfeit wine. C&ED has also established a liaison network with overseas and Mainland enforcement agencies for the purpose of enhancing its capability in intercepting suspected counterfeit wine and verifying wine authenticity.

From 2010-11 to 2012-13, we received a total of 7 wine-related reports. Enforcement action was not found necessary after investigation. We will remain vigilant and continue to monitor the operation of the wine market closely.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)241

Question Serial No.

1290

Head: 31 Customs and Excise Department

Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What were the expenditure, manpower provision and number of operations involved in preventing and detecting infringing articles in 2012-13? How many of these involved online sale of infringing goods? What were the values of articles seized in the operations? How many cases were successfully prosecuted and what were the penalties? Has there been an increasing trend of copyright and trade mark infringement in recent years, especially for online sale of infringing goods? Regarding the matters requiring special attention in 2013-14, the Customs and Excise Department will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What is the amount of financial provision involved? Is it necessary to increase manpower for conducting online surveillance?

Asked by: Hon. CHUNG Kwok-pan

Reply:

In 2012-13, there were a total of 204 officers in the Customs and Excise Department (C&ED) specialized in preventing and detecting crimes of intellectual property rights infringement, involving an expenditure on salary provision of \$72 million. In 2012, the Department carried out 10 special operations every week on average. Details of the cases detected are as follows:

Number of infringement cases (involving Internet crimes)	490 cases (64 cases)
Total value of articles seized (involving Internet crimes)	\$65.97 million (\$1 million)
Number of successful prosecutions (involving Internet crimes) ¹	371 cases (48 cases)
Penalties imposed by the Court	Fine : \$400 – \$100,000 Community : 50 hours – 540 hours service order Imprisonment : 7 days – 16 months

As a result of the continuous and vigorous enforcement actions, infringing activities in the market have reduced significantly, but the sale of counterfeit goods online has become active in recent

¹ Number of successful prosecutions concluded in courts in 2012

years. C&ED has set up two dedicated “Anti-Internet Piracy Teams” comprising 14 officers to tackle Internet and other computer crimes relating to the infringement of intellectual property rights. And an “Electronic Crime Investigation Centre” (the expenditure involved is \$4 million) was set up this February to improve the knowledge and skills of frontline staff, and to enhance the acceptance of digital evidence by the Court. C&ED will flexibly deploy the existing resources, maintain communication with other enforcement agencies and the industries, and co-operate with local auction sites and intellectual property owners to strengthen surveillance over commercial activities on the Internet.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)242

Question Serial No.

0505

Head: 31 Customs and Excise Department

Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The intellectual property rights investigations conducted by the Customs and Excise Department increased from 1 121 cases in 2011 to 3 244 cases in 2012. In this connection, please advise the Committee on:

1. The total number of intellectual property rights investigations conducted, cases that required follow-up investigations, the number of products and goods involved by category, as well as the average and the longest case-handling time in the past three years (i.e. 2010-2012); and
2. The measures adopted as well as a breakdown of expenditures allocated to upgrade the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights.

Asked by: Hon. HO Sau-lan, Cyd

Reply:

1. The figures concerning intellectual property rights investigations in the past three years are as follows:

	2010	2011	2012
Number of cases closed	1 660	1 121	3 244 ¹
Number of cases warranting further investigations	1 855	1 602	1 471
Types of cases (Breakdown on goods by category not available, but the goods involved were mostly clothes, watches and accessories)	Copyright infringement – 1 410 Trademark counterfeiting – 2 105	Copyright infringement – 1 175 Trademark counterfeiting – 1 548	Copyright infringement – 1 625 Trademark counterfeiting – 3 090

¹ In 2012, the Customs and Excise Department (C&ED) accepted the Audit Commission's recommendation to expedite the processing of cases involving intellectual property rights but warranting no further investigation for reasons such as insufficient information or lack of evidence. This accounts for the significant increase in the figure in 2012.

Average investigation time	8 months	9 months	8 months
Longest investigation time	30 months	26 months	38 months

2. C&ED has set up two dedicated “Anti-Internet Piracy Teams” comprising 14 officers to tackle Internet and other computer crimes relating to the infringement of intellectual property rights. The expenditure on salary provision in 2013-14 is \$4.58 million. Besides, the “Electronic Crime Investigation Centre”, established by C&ED at \$4 million, commenced operation in February 2013. There are three Customs officers under the current establishment and the salary provision involved in 2013-14 is \$1.38 million. This advanced facility can improve the knowledge and skills of frontline staff, and enhance the acceptance of digital evidence by the Court, thereby increasing our enforcement efficiency and capability.

Name in block letters: Clement CHEUNG
Post Title: Commissioner of Customs and Excise
Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)243

Question Serial No.

3231

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

During the past 5 years (i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13), how many cases relating to online selling of infringing articles were detected by the Customs and Excise Department? What were the values and types of the articles? How many persons were involved?

Asked by: Hon. KWOK Ka-ki

Reply:

The figures for the cases of infringement on the Internet detected by the Customs and Excise Department in the past five years are as follows:

	2008	2009	2010	2011	2012
Number of cases	31	55	63	65	64
Number of persons arrested	41	60	67	74	79
Value of goods (Breakdown by category not available, but the goods involved were mostly clothes, watches and accessories)	\$1.1 million	\$0.91 million	\$1.05 million	\$1.17 million	\$1 million

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)244

Question Serial No.

3232

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the reasons for a significant increase in the figure of intellectual property rights investigations in 2012 when compared with 2011? What are the number of staff involved in such investigations and the amount of expenditures in 2011 and 2012 respectively?

Asked by: Hon. KWOK Ka-ki

Reply:

The significant increase in the figure follows the Custom & Excise Department's acceptance of the Audit Commission's recommendation in 2012 to expedite the processing of cases involving intellectual property rights but warranting no further investigation. In 2011-12 and 2012-13, the number of officers dedicated to investigating intellectual property rights cases and the expenditures involved are as follows:

	2011-12	2012-13
Number of dedicated officers	204	204
Expenditures involved	\$68 million	\$72 million

The increase in the expenditures was mainly due to salary adjustments.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

Examination of Estimates of Expenditure 2013-14

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

Reply Serial No.

CEDB(CIT)245

Question Serial No.

4496

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the estimates of the Customs and Excise Department for upgrading the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The Customs and Excise Department has set up two dedicated "Anti-Internet Piracy Teams" comprising 14 officers to tackle Internet and other computer crimes relating to the infringement of intellectual property rights. The expenditure on salary provision in 2013-2014 is \$4.58 million. Besides, we set up an "Electronic Crime Investigation Centre" this February to improve the knowledge and skills of frontline staff, and to enhance the acceptance of digital evidences by the Court. The expenditure on salary provision in 2013-2014 is \$1.38 million. The Department will continue to make use of advanced technology to enhance enforcement effectiveness.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)246

Question Serial No.

4497

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by the Customs and Excise Department (C&ED), the Commerce and Economic Development Bureau (CEDB) and other parties concerned in 2012? What are the estimated expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, CEDB and other parties concerned in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The Commerce and Economic Development Bureau handles the work concerning the current Trade Descriptions Ordinance in 2012-13 and the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance) in 2013-14 through existing manpower. The expenditure involved has been included in the overall estimate of the Bureau and could not be quantified separately.

There were 80 enforcement officers in the Customs and Excise Department responsible for enforcing the current Trade Descriptions Ordinance in 2012-13. In 2013-14, the Department will flexibly deploy existing resources and assign 147 officers to enforce the Amendment Ordinance. The expenditure involved has been included in the overall estimate of the Department. Additional resources will be sought in accordance with the current mechanism as and when necessary.

Mainly because the role of the Consumer Council (CC) will be enhanced after the implementation of the Amendment Ordinance, the provision for the CC for 2013-14 from the Commerce and Economic Development Bureau is \$5.5 million higher than the revised estimate for 2012-13.

Name in block letters: Clement CHEUNG
Post Title: Commissioner of Customs and Excise
Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)247

Question Serial No.

4498

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the estimates of the Customs and Excise Department for promoting public and traders' awareness of intellectual property rights and consumer protection legislation through publicity programmes in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The Customs and Excise Department will flexibly deploy resources to promote the awareness of intellectual property rights protection and consumer protection among the community. For intellectual property rights protection, the Department will continue its promotional and educational efforts to enhance the awareness of the public and business sector through various channels such as cooperation with the Intellectual Property Department and business associations. For consumer protection, apart from distributing publicity leaflets to the local public and visiting tourists, and disseminating messages through the mass media, the Department also encourages the public to report illegal activities in the Consumer Council's website and its monthly publication, the Choice Magazine. Moreover, talks are also organized for various trade associations and companies from time to time. Since the work is currently taken up by 7 officers in addition to their own duties, it is rather difficult to separately quantify the expenditure involved.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)248

Question Serial No.

0123

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Provision under Programme 1 for 2013-14 is \$2,287,900,000, which represents an increase of 13.8% over the same provision for 2012-13. Please list out the provisions for the introduction and promotion of the "Hong Kong Authorised Economic Operator Programme" in 2012-13 and 2013-14, the performance of the Programme and the indicators for 2013-14.

Asked by: Hon. LEUNG Kwan-yuen, Andrew

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the "Hong Kong Authorised Economic Operator Programme". The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

On effectiveness of the Programme, 9 companies have been accredited, including multinational corporations as well as local enterprises of different sizes engaged in import/export, manufacturing and freight forwarding businesses. Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

On indicators for 2013-14, C&ED will make use of the additional resources to expedite the vetting of over 10 applications received, step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)249

Question Serial No.

2667

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

What are the details on the operational expenses of the recently established Electronic Crime Investigation Centre (ECIC)? Please provide details on the financial provision, staffing establishment and expected effectiveness of the ECIC. Is there any plan to increase resources to be allocated to the ECIC? If yes, what are the details?

Asked by: Hon. MOK, Charles Peter

Reply:

The Electronic Crime Investigation Centre, established by the Customs and Excise Department at a cost of \$4 million, commenced operation in February 2013. There are three Customs officers under the current establishment and the salary provision involved in 2013-14 is \$1.38 million. This advanced facility can improve the knowledge and skills of frontline staff, and enhance the acceptance of digital evidences by the Court, thereby increasing our enforcement efficiency and capability. The Department will keep a close watch on the latest development of information technology, and apply for additional resources in accordance with the existing mechanism when necessary.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)250

Question Serial No.

2506

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the matter of “work closely with the Commerce and Economic Development Bureau and other parties to bring the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 into operation and take enforcement actions against prohibited unfair trade practices that may be deployed in consumer transactions”, please provide the following information:

- (a) What is the estimated expenditure of the Customs and Excise Department in this respect in 2013-14?
- (b) Will manpower be increased for relevant work?
- (c) What projects are included in the specific action plan?
- (d) What is the progress or timetable in 2013-14?

Asked by: Hon. SIN Chung-kai

Reply:

(a) & (b) The Customs and Excise Department (C&ED) will, in 2013-14, flexibly deploy existing resources and assign 147 officers to enforce the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance), and will seek additional resources in accordance with the current mechanism as and when necessary.

(c) & (d) To prepare for the commencement of the Amendment Ordinance in 2013, C&ED has conducted a public consultation on a set of draft Enforcement Guidelines and is carrying out in-depth analyses of past complaints on services received by the Consumer Council for the purpose of formulating enforcement strategy and approach. Besides, the Department will press ahead with providing training for enforcement officers and implementing publicity and education programmes on the Amendment Ordinance.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)251

Question Serial No.

5040

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned in Matters Requiring Special Attention under this Programme that the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and mis-statements in the sale of goods. Regarding this, please provide the following information:

(a) How many related complaints has the C&ED received in total in the past 5 years (i.e. 2008-09 to 2012-13)? What are the sums involved in these complaints?

(b) How much has the C&ED spent on handling the complaints? Has the C&ED taken enforcement actions and initiated prosecutions based on the complaints?

(c) Does the C&ED have any plan to increase manpower? If yes, please give the schedule and the expenditure required.

Asked by: Hon. TANG Ka-piu

Reply:

(a) and (b) The number of complaints on false trade descriptions (covering mis-statements) is as follows:

	2009* (Mar-Dec)	2010 (Jan-Dec)	2011 (Jan-Dec)	2012 (Jan-Dec)	2013 (Jan-Feb)
Number of Complaint Cases	443	594	514	581	121
Sums Involved	\$660,000	\$3.55 million	\$6.17 million	\$2.54 million	\$410,000
Successful Prosecution	7 cases	65 cases	55 cases	77 cases	5 cases
Penalty Imposed by Court	\$67,000	\$1.13 million	\$600,000	\$1.49 million	\$120,000
Expenditure Involved	\$29.50 million	\$34.58 million	\$32.78 million	\$35.49 million	\$6.09 million

*Since the Trade Descriptions Ordinance was amended in 2009, the statistics only cover March to December.

(c) The Customs and Excise Department will continue with the above enforcement work through flexible deployment of resources, and will apply for additional resources in accordance with the existing mechanism as and when necessary.

Name in block letters: Clement CHEUNG
Post Title: Commissioner of Customs and Excise
Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)252

Question Serial No.

3938

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention, it is mentioned that the Customs and Excise Department will widen the application of the Organised and Serious Crimes Ordinance to the investigation of intellectual property crimes. What are the details? Is there an estimated increase in enforcement manpower? If yes, what is the expenditure involved?

Asked by: Hon. WONG Kwok-kin

Reply:

Crimes of intellectual property rights infringement in recent years have become more technology-oriented and transnational, involving a whole chain of illegal activities. The syndicates backstage are usually well-organised with complicated structures. To fight against these cases, the Department has to step up deterrence and take corresponding actions by applying the Organised and Serious Crimes Ordinance as far as practicable so that the Court may impose higher penalty and issue confiscation orders for criminal proceeds. The Department merged the "Financial Investigation Group" and the "Special Task Force" to form the new "Syndicate Crimes Investigation Bureau" in January this year. No extra expenditure is incurred.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

Examination of Estimates of Expenditure 2013-14

Reply Serial No.

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)253

Question Serial No.

3946

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

In the Matters Requiring Special Attention, it is mentioned that the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and mis-statements in the sale of goods. How much additional provision and manpower is required by C&ED to implement the enforcement measures in 2012-13?

Asked by: Hon. WONG Kwok-kin

Reply:

To combat unfair trade practices involving false trade descriptions and mis-statements, the Customs and Excise Department has flexibly deployed resources to step up inspections against high-risk products and shops under repeated complaints from consumers, and would remind consumers to safeguard their rights during such inspections in order to achieve deterrent effect on the traders concerned.

Name in block letters: Clement CHEUNG
Post Title: Commissioner of Customs and Excise
Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)254

Question Serial No.

1220

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Since the official launch of the “Hong Kong Authorised Economic Operator Programme” by the Customs and Excise Department, how many of the operators accredited are small-and-medium enterprises? What is the proportion of them in the total number of operators? How long does it take to complete the entire application procedure in average? When comparing operators that have joined the Programme with those that have not, how much time is saved in the entire clearance in average? Besides, how many manpower and financial resources are required to operate this Programme?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the “Hong Kong Authorised Economic Operator Programme”. The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

So far, 9 companies have been accredited, including multinational corporations as well as 1 local small-and-medium enterprise (SME) engaged in import/export, manufacturing and freight forwarding businesses (applications from 2 other SMEs are being processed). Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

C&ED will make use of the additional resources to expedite the vetting of over 10 applications received (an application can normally be concluded within 3 months if the information is complete). We will also step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

CEDB(CIT)255

Question Serial No.

2079

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please give the number of companies participating in the “Hong Kong Authorised Economic Operator Programme” since the implementation of its pilot scheme in 2010. Please provide the breakdown of the companies by category (e.g. manufacturer, importer, exporter, freight forwarder, warehouse operator, carrier, etc.) and the percentage of participation in their respective categories. What are the work and the estimated expenditure involved in promoting the Programme in 2013-14?

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

In 2012-13, the Customs and Excise Department (C&ED) made use of existing manpower and resources to launch the “Hong Kong Authorised Economic Operator Programme”. The expenditure involved has been subsumed into the 2012-13 provision. It is difficult to quantify such expenditure separately. From 2013-14, C&ED will earmark an additional amount of \$3.8 million per annum to create 4 Senior Inspector posts for 3 years to further promote the Programme.

So far, 9 companies have been accredited, including multinational corporations as well as local enterprises of different sizes engaged in import/export, manufacturing and freight forwarding businesses. Some are cross-discipline companies, making it difficult to categorise them according to nature of businesses. Enterprises can gain greater international recognition through the Programme. This enables credible and competent companies to enjoy benefits local and abroad such as prioritised clearance and less inspections.

In 2013-14, C&ED will make use of the additional resources to expedite the vetting of over 10 applications received, step up publicity of the Programme to the industries, and negotiate for mutual recognition arrangements with other countries and regions with a view to securing more clearance facilitation for local enterprises.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)054

Question Serial No.

2774

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please inform this Committee of the amounts of duty-not-paid cigarettes seized in the past 10 years (i.e. 2003 to 2012). What is the amount of estimated expenditure for enforcement operations this year? What is the manpower estimated to be required for such operations?

Asked by: Hon. CHAN Chi-chuen

Reply:

The amount of illicit cigarettes seized by the Customs and Excise Department (C&ED) from local illegal activities in the past 10 years is as follows -

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Amount of illicit cigarettes (sticks)	142 million	149 million	70 million	70 million	108 million	69 million	58 million	47 million	71 million	67 million

In 2013-14, C&ED will deploy a total of 61 officers, comprising 1 Assistant Superintendent, 4 Senior Inspectors, 6 Inspectors, 2 Chief Customs Officers, 9 Senior Customs Officers and 39 Customs Officers to combat illicit cigarette activities. The expenditure involved will be \$19.6 million.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)055

Question Serial No.

0089

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the indicators for measuring performance under the above programme, please advise on the following:

What are the reasons for the decrease by \$39.2 million in the value of dutiable commodities seized despite an increase of more than 1 600 seizure cases in 2012 over that of 2011? Does it imply that smuggling goods of relatively low value is the trend in recent years?

Asked by: Hon. CHAN Hak-kan

Reply:

The decrease by \$39.2 million in the total value of dutiable commodities seized by the Customs and Excise Department (C&ED) in 2012 was mainly due to the reduced quantity of goods conveyed each time by the smuggling syndicates in the light of C&ED's continuous and vigorous enforcement actions. As for the types of goods, notebook computers, smart phones, electronic products and high-valued seafood were still the majority.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)056

Question Serial No.

0807

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What were the respective amounts of illicit cigarettes seized in the past 5 years (i.e. from 2008-09 to 2012-13)?

Asked by: Hon. CHAN Kam-lam

Reply:

From 2008 to 2012, illicit cigarettes seized by the Customs and Excise Department from local illegal activities amounted to 69 million, 58 million, 47 million, 71 million and 67 million sticks respectively.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)057

Question Serial No.

2880

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the reasons for the upsurge in the number of persons compounded for offences relating to illicit cigarettes in 2012 when compared with 2011? Is it related to the differences in manpower deployment and resources allocation in these years?

Asked by: Hon. IP Kwok-him

Reply:

Due to the increases in tobacco duty rate by 50% and 41.5% in 2009-10 and 2011-12 respectively, the implementation of the measure to restrict the number of duty-free cigarettes to be brought by each visitor into Hong Kong to 19 sticks since 2010-11, as well as the stepping up of spot checks by the Customs and Excise Department at various control points, there was a rising trend for the number of cases compounded for offences relating to illicit cigarettes.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)058

Question Serial No.

2719

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the number of officers to be deployed by the Customs and Excise Department at various control points to intercept dutiable goods and the estimated provision involved in 2013-14?

Asked by: Hon. KWOK Ka-ki

Reply:

In 2013-14, the expenditure for the work under Programme (1) Control and Enforcement by the Customs and Excise Department (C&ED) will be \$2,287.9 million, involving a total of 4 419 posts. Since interception of dutiable goods at various control points in Hong Kong is part of the general duties of C&ED, it would be difficult to separately quantify the number of officers involved.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 3.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)059

Question Serial No.

2160

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Under Programme (4), provision for 2013-14 will be increased by \$24.1 million (14.5%). In this connection, please advise this Committee of:

1. the proportion of resources, reason for increase, distribution of posts and recruitment schedule in respect of the 30 posts to be increased.

Asked by: Hon. KWOK Wai-keung

Reply:

The 30 posts to be created by the Customs and Excise Department in 2013-14 involve an estimated salary provision of \$10.81 million, accounting for about 45% of the overall increase under Programme (4). The posts are mainly intended for combating telephone ordering of illicit cigarettes and enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance. The recruitment exercise will commence in the first half of 2013. A breakdown of the posts by rank is as follows -

Rank	Number of posts
Senior Inspector of Customs and Excise	3
Inspector of Customs and Excise	4
Chief Customs Officer	3
Senior Customs Officer	8
Customs Officer	12
Total number of new posts	30

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)060

Question Serial No.

0847

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please provide the number of assessments of provisional taxable value on imported vehicles by the Customs and Excise Department as well as the manpower and expenditures involved for each of the past five years (i.e. 2008-09 to 2012-13).

Asked by: Hon. LEE Wai-king, Starry

Reply:

The Motor Vehicles Valuation Group of the Customs and Excise Department (C&ED) currently has an establishment of 14 officers. The information on the number of assessments of provisional taxable value and the expenditures involved in the past five years is as follows -

	2008-09	2009-10	2010-11	2011-12	2012-13
Number of assessments of provisional taxable value	44 034	42 918	60 620	60 731	61 822 ^
Expenditures involved (\$'000)	4,284	4,519	4,574	12,219 *	6,580 ^

* C&ED launched the "Motor Vehicles First Registration Tax System" Phase II in 2011 to facilitate electronic submission of applications by members of the public and the motor vehicle trade. The system involved a one-off expenditure of \$7.6 million and an additional recurrent expenditure of about \$1.6 million per annum.

^ Estimated figures

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)061

Question Serial No.

1227

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Will the Administration increase the amount of award offered to those who have assisted in the reporting of illicit cigarette activities and simplify the relevant procedures and formalities with a view to combating illicit cigarette activities more effectively? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. WONG Ting-kwong

Reply:

To effectively combat various illegal activities including illicit cigarette activities, the Customs and Excise Department (C&ED) has in place a "Reward Scheme" (the Scheme) to encourage informers to provide information conducive to enforcement against illegal activities.

The amount of reward under the Scheme depends on the quantity of illicit cigarettes seized. For example, in 2012-13, the highest amount of reward paid was \$52,116 and the lowest was \$3,486.

At present, the Scheme operates by and large satisfactorily. C&ED will closely monitor its implementation and adjust the amount of reward as necessary.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)062

Question Serial No.

1262

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Despite that there is no increase in tobacco duty in this financial year, the Customs and Excise Department (C&ED) will deploy more manpower to combat illicit cigarette activities. With regard to combating illicit cigarettes, what are the manning arrangements of the C&ED in deploying more manpower to track down illicit cigarettes? Apart from manpower, will the department acquire more advanced anti-smuggling equipment to support the anti-illicit cigarette work? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. WONG Ting-kwong

Reply:

The Customs and Excise Department (C&ED) has set up the Anti-Illicit-Cigarette Investigation Division with an establishment of 35 officers and the Telephone Order Task Unit with an establishment of 15 officers to adopt a multi-pronged approach in combating illegal activities at the levels of import, storage, distribution and retail. We will create 11 posts in 2013-14 to strengthen intelligence analysis and take targeted action on illicit cigarette syndicates operating through telephone ordering.

At present, the control points are equipped with x-ray scanning systems to assist front-line officers in detecting different types of contraband. C&ED will continue to explore the possibility of introducing other advanced equipment.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)063

Question Serial No.

3152

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The provision for 2013-14 is \$24.1 m (14.5%) higher than the revised estimate for 2012-13, mainly due to an increase of 30 posts and increased operating expenses. What are the duties of the newly created posts and the relevant expenditures involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The 30 posts to be created by the Customs and Excise Department in 2013-14 are mainly intended for combating telephone ordering of illicit cigarettes and enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance. The estimated salary provision involved is \$10.81 million.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)064

Question Serial No.

2082

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the cases of First Registration Tax, the actual cases detected in 2012 were 63, representing a substantial increase of 85% as compared to 34 cases in 2011. Please advise the Committee of the reasons for the substantial increase in the cases detected. Please give details of the cases detected by category.

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

The number of First Registration Tax cases handled by the Customs and Excise Department (C&ED) increased from 34 in 2011 to 63 in 2012, mainly because a number of motor vehicle distributors were prosecuted for contravention of the Motor Vehicles (First Registration Tax) Ordinance after investigation. The contravention cases mainly involved selling vehicles at a price higher than the "published retail price" approved by C&ED, thus deceiving consumers with a view to reaping higher profits, and failure to pay the First Registration Tax based on the increased selling price, thus resulting in revenue loss to the Government. The rest were minor non-compliance cases, such as failure to submit the "Import Return" within 30 days.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 28.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)065

Question Serial No.

2084

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2011 and 2012, the numbers of cases of assessment of provisional taxable value on imported vehicles were 63 707 and 60 609 respectively while that of the cases of re-assessment of provisional taxable value on imported vehicles were 16 722 and 17 057 respectively. Regarding this, please advise of the number of cases involving parallel import vehicles among the above cases; the reasons for re-assessment of provisional taxable value and the number of cases involved; and the resources involved in the assessment of provisional taxable value.

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

According to the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330), all distributors (including agents or parallel importers) shall submit the suggested Published Retail Price (PRP) to the Customs and Excise Department (C&ED) for approval 7 days prior to the sale of motor vehicles for the purpose of calculating the provisional taxable value. C&ED will assess the provisional taxable value of imported vehicles based on actual circumstances. When there is a need to change the accessories of the motor vehicles involved or to alter the PRP of the motor vehicles concerned due to changes in market conditions, registered motor vehicle distributors may apply to C&ED for re-assessment of provisional taxable value. However, C&ED does not keep separate statistics on parallel import vehicles.

The Motor Vehicles Valuation Group of C&ED currently has an establishment of 14 officers, who are responsible for the motor vehicle importers/distributors registration system as well as assessment of provisional taxable value of imported vehicles.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)066

Question Serial No.

2086

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The provision for 2013-14 is \$24.1 million (14.5%) higher than the revised estimate for 2012-13, due to, among others, an increase of 30 posts to meet operational needs. Please provide information on the ranks, duties and estimated expenditures of the posts which need to be increased.

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

The 30 posts to be created by the Customs and Excise Department in 2013-14 are mainly intended for combating telephone ordering of illicit cigarettes and enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance. The estimated salary provision involved is \$10.81 million. A breakdown of the posts by rank is as follows -

Rank	Number of posts
Senior Inspector of Customs and Excise	3
Inspector of Customs and Excise	4
Chief Customs Officer	3
Senior Customs Officer	8
Customs Officer	12
Total number of new posts	30

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 27.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)159

Question Serial No.

3487

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In each of the past three years (i.e. from 2010 to 2012) and for 2013, what are the manpower and amount of expenditure involved or estimated to be required for combating illicit cigarettes? Both the cases detected and the number of cigarettes seized in the anti-illicit-cigarette enforcement operations experienced a decrease in the past two years. Is it due to a shift to other modes of selling such as telephone and online ordering in recent years, which has undermined the effectiveness of anti-illicit-cigarettes operations? What measures will be taken in response to this change?

Asked by: Hon. CHEUNG Yu-yan, Tommy

Reply:

In 2003-04, the Customs and Excise Department (C&ED) set up the Anti-Illicit-Cigarette Investigation Division with an establishment of 35 officers, comprising 1 Assistant Superintendent, 2 Senior Inspectors, 4 Inspectors, 4 Senior Customs Officers and 24 Customs Officers. In addition, C&ED created 15 posts in 2012-13 and will create 11 posts in 2013-14 to step up action against telephone and online ordering of illicit cigarettes. In 2010-11, 2011-12 and 2012-13, C&ED's expenditures on combating illicit cigarette activities were \$10 million, \$10.63 million and \$15.92 million respectively. The relevant estimated expenditure for 2013-14 is \$19.60 million.

As a result of C&ED's continuous and vigorous enforcement, street peddling of illicit cigarettes has nearly vanished. The mode of selling illicit cigarettes has shifted to telephone ordering and the transaction quantity has shrunk. The decrease in both the number of cases and the amount of illicit cigarettes seized has demonstrated that the existing enforcement strategies are effective.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 2.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)160

Question Serial No.

4397

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding "...to collect and protect revenue from dutiable commodities stipulated in the Dutiable Commodities Ordinance (Cap. 109) and to assess the provisional taxable values of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330)" mentioned in the Aim, would the Administration advise this Committee of the number of cases of First Registration Tax and the total revenue for each of the past three financial years (i.e. 2010-11 to 2012-13)?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The number of cases of, and the total revenue on, vehicle first registration in the past three financial years are as follows -

	2010-11	2011-12	2012-13
Cases of Vehicle First Registration*	53 772	54 733	58 791^
Total Revenue (\$ million)*	6,657	7,070	7,760^

* Information provided by the Transport Department

^ Estimated figures

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 2.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)161

Question Serial No.

4398

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding "...to collect and protect revenue from dutiable commodities stipulated in the Dutiable Commodities Ordinance (Cap. 109) and to assess the provisional taxable values of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330)" mentioned in the Aim and "The Department is responsible for combating smuggling and distribution of illicit cigarettes and taking enforcement actions against illicit fuel activities at all levels" mentioned in the Brief Description, would the Administration advise this Committee of the Government's total revenue on tobacco duties as well as the expenditures and manpower involved in combating smuggling and distribution of illicit cigarettes for each of the past three financial years (i.e. 2010-11 to 2012-13)?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The total government revenue on tobacco duties in the past three financial years is as follows -

Financial Year	2010-11	2011-12	2012-13
Total Revenue (\$million)	4,221	4,207	5,277 [^]

[^]As at 28 February 2013

The Customs and Excise Department (C&ED) set up the Anti-Illicit-Cigarette Investigation Division with an establishment of 35 officers in 2003-04 and created 15 posts in 2012-13 for combating telephone ordering of illicit cigarettes. In 2010-11, 2011-12 and 2012-13, C&ED's expenditures on anti-illicit cigarette operations were \$10 million, \$10.63 million and \$15.92 million respectively.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 2.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)162

Question Serial No.

4399

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding "...to collect and protect revenue from dutiable commodities stipulated in the Dutiable Commodities Ordinance (Cap. 109) and to assess the provisional taxable values of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330)" mentioned in the Aim and "The Department is responsible for combating smuggling and distribution of illicit cigarettes and taking enforcement actions against illicit fuel activities at all levels" mentioned in the Brief Description, would the Administration advise this Committee of the Government's total revenue on fuel duties as well as the expenditures and manpower involved in combating illicit fuel activities at all levels for each of the past three financial years (i.e. 2010-11 to 2012-13)?

Asked by: Hon. FUNG Kin-kee, Frederick

Reply:

The total government revenue on fuel duties in the past three financial years is as follows -

Financial Year	2010-11	2011-12	2012-13
Total Revenue (\$million)	3,027	3,147	3,026 [^]

[^] As at 28 February 2013

The Anti-Illicit-Fuel Investigation Division of the Customs and Excise Department currently has an establishment of 23 officers, comprising 1 Assistant Superintendent, 2 Senior Inspectors, 1 Inspector, 2 Chief Customs Officers, 1 Senior Customs Officer and 16 Customs Officers. In 2010-11, 2011-12 and 2012-13, the expenditures involved were \$6.86 million, \$7.31 million and \$7.72 million respectively.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 2.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(Tsy)163

Question Serial No.

4499

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

What are the respective number of cases of selling illicit cigarettes through telephone ordering detected, amount of illicit cigarettes seized and number of persons arrested by the Customs and Excise Department in the past five years (i.e. 2008-2009, 2009-2010, 2010-2011, 2011-2012 and 2012-2013)? What are the estimated provision and the number of staff allocated for combating the sale of illicit cigarettes through telephone ordering by the Department in 2013-2014?

Asked by: Hon. KWOK Ka-ki

Reply:

The number of cases of telephone ordering of illicit cigarettes detected, the amount of illicit cigarettes seized and the number of persons arrested by the Customs and Excise Department (C&ED) in the past four years are as follows -

	2009-10	2010-11	2011-12	2012-13 [^]
Number of cases	85	69	40	134
Amount of illicit cigarettes (sticks)	870 000	470 000	210 000	3 400 000
Number of persons arrested	91	80	42	167

[^] As at 28 February 2013

As C&ED has only started to keep the breakdown of the above statistics since 2009-10, the relevant figures for 2008-09 are not available.

In 2013-14, C&ED will deploy a total of 26 officers, comprising 2 Senior Inspectors, 2 Inspectors, 2 Chief Customs Officers, 5 Senior Customs Officers and 15 Customs Officers, to combat activities related to telephone ordering of illicit cigarettes. The expenditure involved will be \$8.36 million.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 2.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(Tsy)11

Question Serial No.

S029

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to Reply Serial No. FSTB(Tsy)059, the Administration will create 30 posts in the coming year. The "restriction on the quantity of powdered formula" imposed by the Government earlier on, restricting each person to take a maximum of two cans of baby formula out of Hong Kong, has placed frontline Customs Officers under great pressure. Regarding this,

- (a) are the 30 posts created by the Administration in the coming year sufficient to handle the increasing workload, including the execution of the "restriction on the quantity of powdered formula" and other duties involving parallel goods?
- (b) will the Administration increase more manpower to cope with the workload? If yes, what are the manpower and amount of expenditure involved?
- (c) and does the Administration have any measure to prevent similar occurrences?

Asked by: Hon. KWOK Wai-keung

Reply:

The Customs and Excise Department (C&ED) will create 30 posts under Programme (4) in 2013-14, mainly for combating telephone ordering of illicit cigarettes and enhancing the capability of investigating cases of suspected contravention of the Motor Vehicles (First Registration Tax) Ordinance.

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, C&ED has deployed 56 officers together with authorized non-civil service contract staff to provide support. Where necessary, C&ED will seek additional resources in accordance with the established resource allocation mechanism to cope with the relevant work.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FSTB(FS)057

Question Serial No.

3230

Head: 31 – Customs and Excise Department Subhead (No. & title):

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

During the past 5 years (i.e. 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13), how many money laundering cases were detected by the Customs and Excise Department? How many persons were involved?

Asked by: Hon. KWOK Ka-ki

Reply:

The numbers of money laundering cases detected by the Customs and Excise Department and persons involved in the past 5 years are listed below:-

Financial Year	Number of money laundering cases	Number of persons involved
2008-09	3	46
2009-10	1	1
2010-11	8	24
2011-12	2	20
2012-13	2	8

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 21.3.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)166

Question Serial No.

0808

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

After the implementation of the new regulation imposing export control on baby formula, how many additional staff does the Customs and Excise Department require to exercise enforcement? What is the additional salary provision involved?

Asked by: Hon. CHAN Kam-lam

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers together with the authorized non-civil service contract staff to provide support, and will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)167

Question Serial No.

1865

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

In respect of the implementation of export control on baby formula in March, is it necessary to increase manpower and facilities to tackle the smuggling activities? What are the details of the additional expenditure and manpower deployed in implementing the new control measure?

Asked by: Hon. CHEUNG Wah-fung, Christopher

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers and existing baggage screening equipment, together with the authorized non-civil service contract staff, to provide support. We will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)168

Question Serial No.

3165

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

A new legislation came into operation on 1 March 2013 to impose restriction on the amount of baby formula that can be brought out of Hong Kong. Since the commencement of this new legislation, how much additional manpower has been deployed at various control points by the Customs and Excise Department? How many persons have been arrested at these control points? What are the penalties imposed normally and the amount of baby formula seized?

Asked by: Hon. LEE Wai-king, Starry

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers together with the authorized non-civil service contract staff to provide support, and will apply for additional resources in accordance with the existing mechanism and the needs.

As at 26 March, a total of 424 outbound travellers were arrested for alleged contravention of such provision, involving a total of 1 783 kilograms of powdered formula. Besides, as at the same day, fines ranging from \$500 to \$5,000 were imposed as sentences in a total of 25 cases.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)169

Question Serial No.

1894

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

The Import and Export (General) (Amendment) Regulation 2013, which came into operation on 1 March this year, prohibits the export of powdered formula for infants and children aged under 36 months from Hong Kong except under an export licence. However, a person aged 16 or above leaving Hong Kong may bring powdered formula not exceeding 1.8 kg in net weight for personal use. Would the Administration please advise on the impacts of this new regulation on the staffing establishment and expenditures of the Customs and Excise Department?

Asked by: Hon. TIEN Pei-chun, James

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers together with the authorized non-civil service contract staff to provide support, and will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)170

Question Serial No.

3180

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

It is reported that the Customs and Excise Department (C&ED) has to deploy additional manpower (including appointment of experienced former Customs Officers who have retired) for enforcing the new policy of restricting the exportation of baby formula.

In light of the aforesaid policy, how many additional manpower and expenditure are estimated to be required in the new financial year of 2013-14 by the C&ED? Will the C&ED request for additional financial provision? If yes, what will be the amount?

Asked by: Hon. TSE Wai-chun, Paul

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers together with the authorized non-civil service contract staff to provide support, and will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)238

Question Serial No.

5475

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

With regard to the indicators for measuring performance under the above programme, please advise on the following:

In respect of the amendment of the Import and Export (General) Regulations (Chapter 60A) to impose export control on baby formula, has the Administration earmarked funds for additional manpower and equipment to strengthen spot checks?

Asked by: Hon. CHAN Hak-kan

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers and existing baggage screening equipment, together with the authorized non-civil service contract staff, to provide support. We will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)239

Question Serial No.

4735

Head: 31 Customs and Excise Department Subhead (No. & title):

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

What are the details of the resources, including expenditures, equipment and staffing provision, to be deployed by the Customs and Excise Department to enforce the export control on baby formula in 2013-14? Under what circumstances will the Administration adjust the allocation of resources in question?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers and existing baggage screening equipment, together with the authorized non-civil service contract staff, to provide support. We will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013

**CONTROLLING OFFICER'S REPLY TO
INITIAL WRITTEN QUESTION**

FHB(FE)240

Question Serial No.

5478

Head: 31 Customs and Excise Department Subhead (No. & title): -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise

Director of Bureau: Secretary for Food and Health

Question:

Following the amendment of the relevant regulation to impose export control on baby formula, will there be any adjustments in the estimated strength of manpower, amount of resources and enforcement work allocated for combating the smuggling of baby formula in 2013-14?

Asked by: Hon. IP Kwok-him

Reply:

To exercise export control on powdered formula for infants imposed by the Government of the Special Administrative Region since 1 March 2013, the Customs and Excise Department has deployed 56 officers together with the authorized non-civil service contract staff to provide support, and will apply for additional resources in accordance with the existing mechanism and the needs.

Name in block letters: Clement CHEUNG

Post Title: Commissioner of Customs and Excise

Date: 8.4.2013