

CONTROLLING OFFICER'S REPLY**SB179****(Question Serial No.: 1257)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) Not specifiedProgramme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)Director of Bureau: Secretary for SecurityThis question originates from: Estimates on Expenditure Volume 1 Page 518Question (Member Question No.: (19)):

Can the Administration list in the table below the numbers of cases involving Mainland and foreign visitors who violated import or export restrictions of prohibited/controlled items in the past 3 years? In the coming year (2014), what are the estimated manpower and expenditure for handling cases involving Mainland and foreign visitors who violated import or export restrictions of prohibited/controlled items?

	2013	2012	2011
Number of Mainland visitors violating import or export restrictions of prohibited/controlled items			
Number of foreign visitors violating import or export restrictions of prohibited/controlled items			
Total number of visitors violating import or export restrictions of prohibited/controlled items			

Asked by: Hon. CHAN Chi-chuenReply:

In the past 3 years, the Customs and Excise Department detected a total of 5 331 cases involving visitors who violated import or export restrictions of prohibited/controlled items, with details as follows:

Type of cases	2011	2012	2013
Number of Mainland visitors who violated import or export restrictions of prohibited/controlled items	819	842	3 253
Number of other visitors who violated import or export restrictions of prohibited/controlled items	100	110	207
Total number of cases	919	952	3 460

As the financial resources involved in the above enforcement have been subsumed under the general operating expenditures, the manpower and expenditure involved could not be quantified separately.

CONTROLLING OFFICER'S REPLY**SB180****(Question Serial No.2107)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 154 (if applicable)

Question (Member Question No. 43):

Please give detailed information on the 57 posts to be created in 2014-15, including posts, duties, salary provision and so on.

Asked by: Hon. CHIANG Lai-wan

Reply:

The Customs and Excise Department will have a net increase of 57 posts, involving an expenditure of \$21.97 million, in 2014-15 for the policy area under Programme (1). They are mainly deployed for combating smuggling, enhancing the capability of investigating information technology crime and carrying out computer forensic work, maintaining the export control on powdered formula for infants and supervising the money service operators. The details of the posts to be created and deleted are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Assistant Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	1	-
Inspector of Customs and Excise	7	-
Chief Customs Officer	2	-
Senior Customs Officer	9	-
Customs Officer	31	-4
Senior Trade Controls Officer	1	-
Trade Controls Officer	3	-
Assistant Trade Controls Officer	8	-
Systems Manager	1	-
Analyst/Programmer II	3	-
Computer Operator I	-	-1
Computer Operator II	-	-1
Assistant Data Preparation Supervisor	-	-2

Rank	Number	
	Posts to be created	Posts to be deleted
Senior Supplies Officer	1	-
Supplies Officer	-	-1
Clerical Officer	3	-
Assistant Clerical Officer	2	-
Clerical Assistant	1	-
Office Assistant	-	-1
Workman II	-	-7

	Total
Posts to be created	74
Posts to be deleted	-17
Net increase of posts	57

CONTROLLING OFFICER'S REPLY**SB181****(Question Serial No.2302)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (292) Seizure management

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 156 (if applicable)

Question (Member Question No.40):

There was an upward trend in the expenditure for seizure management by the Customs and Excise Department in recent years. Would the Administration inform this Committee of:

- the reasons for the increase in expenditure; and
- the quantities of different types of seizures and the expenditure involved for 2013-14 in table form?

Seizure	Quantity	Expenditure involved

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

- The increase in the expenditure involved in seizure management by the Customs and Excise Department (C&ED) was mainly due to the rise in freight charges and storage fees.
- As the expenditure involved in seizure management by C&ED has been subsumed under the general operating expenditures, the Department does not have figures of the expenditure involved. Categories of the articles seized by C&ED and the number of cases in 2013 are listed below. Since the articles seized are of various types involving different measurement units, their quantities are not available.

Category of articles seized	No. of cases
Chemicals, antibiotics and drugs	251
Narcotics	503
Food and beverages	4 420
Meat (excluding endangered species)	390
Electrical and electronic products (including game hardware)	392
Computer products	217
Liquor	4 429
Pets, animals and plants	385
Stationery, toys and sports goods	58
Optical discs	53

Category of articles seized	No. of cases
Media and devices	15
Guns and weapons	53
Transport	143
Tobacco	18 018
Clothes, footwear, leatherware and glasses	408
Hydrocarbon oil and fuel	84
Valuable articles/documents	19
Parts and accessories of watches	130
Strategic commodities	11
Home appliances	62
Cosmetic and beauty care products	48
Machinery and equipment	72
Children's products	12
Others	576
Total	**30 749

**A case may involve multiple categories of articles.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3274)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic Development

This question originates from: Estimates on Expenditure Volume 1 Page143 (if applicable)

Question (Member Question No. 37):

Does the Administration have any plans to step up actions against parallel traders? If yes, what are the details? If no, what are the reasons?

Asked by: Hon Dennis KWOK

Reply:

The Shenzhen and Hong Kong authorities have conducted joint operations against parallel trade activities since September 2012 and have yielded substantive results. In 2014-15, the Customs and Excise Department will continue to ensure smooth operation at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management.

CONTROLLING OFFICER'S REPLY**SB183****(Question Serial No.0797)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 157

Question (Member Question No. 65):

The Customs and Excise Department expects that there will be a net increase of 138 posts in 2014-15. Please list out the posts to be increased in terms of section and rank, describe their job duties and advise on the recurrent expenditure involved.

Asked by: Hon. KWOK Wai-keung

Reply:

The Customs and Excise Department will have a net increase of 138 posts, involving an expenditure of \$48.48 million, in 2014-15. They are mainly created for combating smuggling and cross-boundary drug trafficking, enhancing the capability of investigating information technology crime and carrying out computer forensic work, maintaining the export control on powdered formula for infants, enforcing the revised Trade Descriptions Ordinance and supervising the money service operators. The details of the posts to be created and deleted are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Assistant Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	1	-
Inspector of Customs and Excise	8	-
Chief Customs Officer	7	-
Senior Customs Officer	16	-
Customs Officer	66	-4
Senior Trade Controls Officer	3	-
Trade Controls Officer	18	-
Assistant Trade Controls Officer	23	-

Rank	Number	
	Posts to be created	Posts to be deleted
Systems Manager	1	-
Analyst/Programmer II	3	-
Computer Operator I	-	-1
Computer Operator II	-	-1
Assistant Data Preparation Supervisor	-	-2
Senior Supplies Officer	1	-
Supplies Officer	-	-1
Clerical Officer	3	-
Assistant Clerical Officer	4	-
Clerical Assistant	2	-
Office Assistant	-	-2
Workman II	-	-7
Typist	-	-1

	Total
Posts to be created	157
Posts to be deleted	-19
Net increase of posts	138

CONTROLLING OFFICER'S REPLY

SB184

(Question Serial No.0798)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No.64):

With regard to the action against smuggling activities in 2013-14, will the Administration advise this Committee on the top five types of goods confiscated in anti-smuggling operations last year?

Asked by: Hon. KWOK Wai-keung

Reply:

Since the articles seized by the Customs and Excise Department are of various types involving different measurement units, they cannot be compared by quantity. In terms of the number of cases, the articles seized were mainly tobacco products, liquor, food and beverages, dangerous drugs, as well as clothing and footwear.

CONTROLLING OFFICER'S REPLY

SB185

(Question Serial No. 1134)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume I Page 145

Question (Member Question No. 69):

In the Matters Requiring Special Attention in 2014-15, it is mentioned that the Customs and Excise Department will take proactive action against smuggling activities through intelligence-based operations and closer co-operation with the Mainland authorities. What are the relevant details as well as the expenditure and manpower to be involved?

Asked by: Hon. KWOK Wai-keung

Reply:

Hong Kong and the Mainland have put in place an established mechanism to combat smuggling through information exchange and joint operations. As cross-boundary smuggling activities have become more covert, complicated and organised, the Customs and Excise Department have stepped up efforts against serious crimes by establishing Syndicate Crimes Investigation Bureau in early 2013 through redeployment of internal resources. As the financial resources involved in combating smuggling have been subsumed under the general operating expenditures, the Department does not have any breakdown figures for the work mentioned in the question.

CONTROLLING OFFICER'S REPLY

SB186

(Question Serial No. 2351)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 145 (if applicable)

Question (Member Question No. 33):

Would the Administration advise this Committee on the numbers of illegal cases relating to “parallel trade” detected by the Customs and Excise Department at boundary control points in the past 2 years? How many cases were successfully prosecuted? What are the Administration’s plans to combat “parallel trade” activities at the boundaries in the future? How much manpower and estimated provision will be required?

Asked by: Hon. LAM Kin-fung, Jeffrey

Reply:

The Shenzhen and Hong Kong authorities have conducted joint operations against parallel trade activities since September 2012. As at February 2014, the Customs and Excise Department (C&ED) had detected 14 501 cases and seized smuggled goods including cigarettes, liquor and electronic equipment with a total value of \$86.75 million. In 2014-15, C&ED will continue to ensure smooth operation at various control points through intelligence exchange, on-scene notification, enhancement of spot checks and order management. As the financial resources involved in the above work have been subsumed under the general operating expenditures, the Department does not have any breakdown figures for the work stated in the question.

CONTROLLING OFFICER'S REPLY

SB187

(Question Serial No. 2056)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security / Secretary for the Environment
This question originates from: Estimates on Expenditure Volume I Page 143 (if applicable)

Question (Member Question No. 1.12):

1. Regarding the smuggling of elephant tusks, please inform this Committee:
- (a) of the quantities of elephant tusks seized by the Customs and Excise Department, their places of origin and the number of cases cracked down in the past five years;
 - (b) of the figures on prosecution and conviction against smuggling of elephant tusks in the past five years;
 - (c) whether the Administration has any plans to combat smuggling of elephant tusks. If yes, please give details of the plans as well as their estimates and staff establishment; and
 - (d) of the number of joint actions taken with the relevant control and enforcement authorities in the Mainland in combating cross-boundary smuggling of elephant tusks in the past five years, the details of the actions as well as their effectiveness.

Asked by: Hon Kenneth LEUNG

Reply:

(a) The elephant tusks seized by the Customs and Excise Department (C&ED) between 2009 and 2013 mainly came from South Africa, Kenya, Nigeria, etc., details of which are as follows:

	2009	2010	2011	2012	2013	Total
Quantity of Elephant Tusks Seized	600 kg of elephant tusks and 171 pieces of worked ivory	2 900 kg of elephant tusks and 342 pieces of worked ivory	3 300 kg of elephant tusks and 475 pieces of worked ivory	5 500 kg of elephant tusks and 37 pieces of worked ivory	7 900 kg of elephant tusks and 269 pieces of worked ivory	20 200 kg of elephant tusks and 1 294 pieces of worked ivory

Number of Cases	56	40	52	51	103	302
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(b) & (c) Between 2009 and 2013, C&ED arrested a total of 225 persons for suspected smuggling of elephant tusks. They were referred to the Agriculture, Fisheries and Conservation Department for follow-up and 59 of them were subsequently convicted by court. C&ED has been working closely with other enforcement agencies in combating cross-boundary crimes, taking active part in the international action against elephant tusk smuggling led by the World Customs Organization, and conducting checks on suspicious items with the help of intelligence exchange and risk assessment. As the financial resources involved in the above work have been subsumed under the general operating expenditures, the Department does not have any breakdown figures for the work stated in the question.

(d) The Hong Kong and Mainland Customs mounted 4 joint operations and seized a total of 7 977 kg of elephant tusks worth \$80.7 million between 2011 and 2013.

CONTROLLING OFFICER'S REPLY

SB188

(Question Serial No. 2057)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security / Secretary for the Environment
This question originates from: Estimates on Expenditure Volume I Page 143 (if applicable)

Question (Member Question No. 1.12):

Regarding the smuggling of endangered or protected marine organisms, please inform this Committee:

- (a) of the quantities of endangered or protected marine organisms seized by the Customs and Excise Department, their types and places of origin, and the number of cases cracked down in the past five years;
- (b) of the figures on prosecution and conviction against smuggling of endangered or protected marine organisms in the past five years;
- (c) whether the Administration had returned the endangered or protected marine organisms seized to their countries of origin in the past five years. If yes, please advise of the number of deaths taken place during the journey; and
- (d) whether the Administration had taken any joint actions with the relevant authorities in the countries of origin of those endangered or protected marine organisms to combat smuggling of marine organisms, and whether the Administration has any plans to combat smuggling of marine organisms in the future. If yes, please give details of the plans as well as their estimates and staff establishments.

Asked by: Hon Kenneth LEUNG

Reply:

- (a) The endangered or protected marine organisms seized by the Customs and Excise Department (C&ED) between 2009 and 2013 mainly came from Tanzania, South Africa, Egypt, Indonesia, Madagascar, Malaysia, Thailand, the Philippines, etc.. Their types and quantities as well as the number of cases are listed below:

		2009	2010	2011	2012	2013	Total
Type and Quantity Seized	Coral and Its Products	38 pieces	-	-	11 kg	446 kg and 1 piece	457 kg and 39 pieces
	Sea-horse	13 kg and 131 pieces	0.2 kg and 28 pieces	403 kg and 4 pieces	526 kg	773 kg	1 715.2 kg and 163 pieces
	Sea Turtle and Its Products	34 kg	2 pieces	-	0.1 kg	6 kg	40.1 kg and 2 pieces
Number of Cases		11	3	5	10	51	80

(b) & (c) Between 2009 and 2013, C&ED arrested a total of 49 persons for suspected smuggling of endangered or protected marine organisms. They were referred to the Agriculture, Fisheries and Conservation Department for follow-up and 6 of them were subsequently convicted by court. The items seized were mainly dead or finished products, with live items accounting for only a minimal amount. During the above period, no live items were returned to their places of origin.

(d) C&ED has been working closely with other enforcement agencies in combating cross-boundary crimes. Apart from engaging in bilateral cooperation with Germany and the USA separately in 2013, the Department also takes active part in the international action against smuggling of endangered or protected marine organisms led by the World Customs Organization. As the financial resources involved in the above work have been subsumed under the general operating expenditures, the Department does not have any breakdown figures for the work stated in the question.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0300)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (2) Anti-narcotics Investigation
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security
This question originates from: Estimates on Expenditure Volume 1 Page 146

Question (Member Question No. 6):

Under "Indicators", while it is certainly impossible to estimate the "psychotropic drugs seized" for 2014, the figures on seizures made in 2013 show that the quantities of "cannabis", "MDMA (ecstasy)" and "methylamphetamine (ice)" seized increased significantly by about 2.3 times to 7.2 times when compared with 2012. The proliferation of these types of psychotropic drugs is apparent. Please advise on the following:

- (1) Does the Customs and Excise Department (C&ED) have any plan to work with the Police this year in a greater effort to detect and seize these drugs?
- (2) It is believed that these drugs are mostly consumed by teenagers. What percentage is anti-narcotics work carried out in places of entertainment frequented by teenagers out of the overall anti-narcotics work of C&ED? What is the estimated cost?

Asked by: Hon. NG Leung-sing

Reply:

- (1) The quantities and types of drugs seized by C&ED tend to vary with different factors every year. However, since most cases were detected at the control points, it reflects that the Department is able to effectively prevent the inflow of dangerous drugs into the local market. We will set up a dedicated team in 2014-15 to step up enforcement against cross-boundary drug trafficking activities. We will also strengthen ties and cooperation with the Police as well as Mainland and overseas law enforcement agencies to tackle the problem at source.
- (2) To fight against drug abuse among teenagers, C&ED has strengthened anti-drug publicity at the control points, and will take targeted enforcement actions through timely adjustments to enforcement strategies and flexible manpower deployment. However, there is no breakdown of the expenditure involved for enforcement in different types of establishments.

CONTROLLING OFFICER'S REPLY

SB190

(Question Serial No. 0305)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Pages 143-145

Question (Member Question No. 11):

In the 2 consecutive years of 2012 and 2013, the values of seizures of articles other than dutiable commodities were \$358.5 million and \$558 million respectively. How would the Administration effectively convert those articles into revenue? Please compare the value of seizures and the revenue after disposal of seizures in the past 5 years.

Asked by: Hon NG Leung-sing

Reply:

The Customs and Excise Department must handle disposal of confiscated goods in strict accordance with the Stores and Procurement Regulations. The disposal means including destruction and public auction, will be decided depending the types and nature of the confiscated goods. As the financial resources involved have been subsumed under the general operating expenditures, coupled with the fact that not all confiscated goods could be converted into revenue and the final disposal can only be commenced upon completion of all legal proceedings, the Department therefore does not have any figures for the comparison mentioned in the question.

CONTROLLING OFFICER'S REPLY**SB191****(Question Serial No. 0544)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 143

Question (Member Question No. 12):

The Customs and Excise Department estimates that there will be an increase of 138 non-directorate posts in 2014-15. 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 2013-14 and the estimated figures of such in 2014-15.

Asked by: Hon. POON Siu-ping

Reply:

- a) The Customs and Excise Department will have a net increase of 138 posts in 2014-15. They are mainly created for combating smuggling and cross-boundary drug trafficking, enhancing the capability of investigating information technology crime and carrying out computer forensic work, maintaining the export control on powdered formula for infants, enforcing the revised Trade Descriptions Ordinance and supervising the money service operators. The details of the posts to be created and deleted are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Programme (1)		
Assistant Superintendent of Customs and Excise	1	
Senior Inspector of Customs and Excise	1	
Inspector of Customs and Excise	7	
Chief Customs Officer	2	
Senior Customs Officer	9	
Customs Officer	31	-4

Senior Trade Controls Officer	1	
Trade Controls Officer	3	
Assistant Trade Controls Officer	8	
Systems Manager	1	
Analyst/Programmer II	3	
Computer Operator I		-1
Computer Operator II		-1
Assistant Data Preparation Supervisor		-2
Senior Supplies Officer	1	
Supplies Officer		-1
Clerical Officer	3	
Assistant Clerical Officer	2	
Clerical Assistant	1	
Office Assistant		-1
Workman II		-7
Sub-total:	74	-17
Programme (2)		
Inspector of Customs and Excise	1	
Chief Customs Officer	5	
Senior Customs Officer	7	
Customs Officer	27	
Sub-total:	40	0
Programme (3)		
Senior Trade Controls Officer	2	
Trade Controls Officer	15	
Assistant Trade Controls Officer	15	
Customs Officer	8	
Sub-total:	40	0
Programme (4)		
Assistant Clerical Officer	2	
Clerical Assistant	1	
Office Assistant		-1
Typist		-1
Sub-total:	3	-2
Programme (5)		
No creation or deletion of posts	-	-
Sub-total:	-	-
Posts to be created	157	

Posts to be deleted	-19
Net increase of posts	138

b) The establishment in 2013-14 and the estimated establishment in 2014-15 are as follows:-

Financial year	Programme (1)	Programme (2)	Programme (3)	Programme (4)	Programme (5)	Total
2013-14	4,439	367	562	287	293	5,948
2014-15	4,496	407	602	288	293	6,086

The establishment and the strength of each rank in 2013-14 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 (3)
Administrative Officer Staff Grade C	1 (0)	Armourer I	1 (1)
Senior Principal Trade Controls Officer	1 (0)	Armourer III	1 (1)
Chief Superintendent of Customs and Excise	2 (2)	Senior Systems Manager	2 (2)
Senior Superintendent of Customs and Excise	17 (18)	Systems Manager	3 (4)
Superintendent of Customs and Excise	31 (20)	Analyst / Programmer I	13 (14)
Assistant Superintendent of Customs and Excise	77 (74)	Analyst / Programmer II	6 (5)
Senior Inspector of Customs and Excise	328 (303)	Assistant Computer Operation Manager	1 (1)
Inspector of Customs and Excise	426 (505)	Senior Computer Operator	1 (1)
Chief Customs Officer	347 (303)	Computer Operator I	10 (9)
Senior Customs Officer	1,043 (957)	Computer Operator II	10 (9)
Customs Officer	2,549 (2,462)	Assistant Data Preparation Supervisor	3 (1)
Principal Trade Controls Officer	7 (6)	Senior Confidential Assistant	1 (1)
Chief Trade Controls Officer	26 (23)	Confidential Assistant	7 (7)
Senior Trade Controls Officer	83 (87)	Senior Clerical Officer	7 (7)
Trade Controls Officer	196 (185)		

Assistant Trade Controls Officer	153 (163)	Clerical Officer	31 (26)
Chief Executive Officer	1 (1)	Assistant Clerical Officer	121 (123)
Senior Executive Officer	4 (3)	Clerical Assistant	104 (96)
Executive Officer I	18 (16)	Office Assistant	24 (21)
Executive Officer II	4 (6)	Chief Supplies Officer	1 (1)
Senior Treasury Accountant	1 (1)	Senior Supplies Officer	0 (0)
Treasury Accountant	4 (4)	Supplies Officer	4 (2)
Senior Accounting Officer	1 (1)	Assistant Supplies Officer	3 (5)
Accounting Officer I	6 (3)	Senior Supplies Supervisor	1 (0)
Accounting Officer II	1 (4)	Supplies Supervisor I	11 (12)
Senior Training Officer	1 (1)	Supplies Supervisor II	24 (27)
Training Officer I	1 (1)	Supplies Assistant	11 (11)
Senior Official Languages Officer	1 (1)	Telephone Operator	1 (0)
Official Languages Officer I	3 (3)	Special Driver	22 (20)
Official Languages Officer II	14 (14)	Motor Driver	61 (65)
Calligraphist	1 (1)	Workman II	43 (29)
Senior Personal Secretary	1 (1)	Cook	1 (1)
Personal Secretary I	6 (6)	Leisure Services Manager	1 (1)
Personal Secretary II	18 (17)	Assistant Leisure Services Manager II	1 (1)
Senior Typist	3 (3)	Management Services Officer I	1 (1)
Typist	9 (9)	Senior Launch Master	6 (4)
Senior Divisional Occupational Safety Officer	1 (1)	Launch Assistant	9 (6)
Transport Services Officer I	1 (1)	Special Photographer I	1 (0)
		Special Photographer II	3 (0)
		Total	5,948 (5,733)

*The strength as at 31 January 2014, including those officers who are on pre-retirement leave.

The estimated establishment of each rank in 2014-15 is given below. Figures on strength cannot be ascertained due to various factors like resignation and early retirement:

<i>Rank</i>	<i>Establishment</i>	<i>Rank</i>	<i>Establishment</i>
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
		Armourer I	1

Administrative Officer Staff Grade C	1	Armourer III	1
Senior Principal Trade Controls Officer	1	Senior Systems Manager	2
Chief Superintendent of Customs and Excise	2	Systems Manager	4
Senior Superintendent of Customs and Excise	17	Analyst / Programmer I	13
Superintendent of Customs and Excise	31	Analyst / Programmer II	9
Assistant Superintendent of Customs and Excise	78	Assistant Computer Operation Manager	1
Senior Inspector of Customs and Excise	329	Senior Computer Operator	1
Inspector of Customs and Excise	434	Computer Operator I	9
Chief Customs Officer	354	Computer Operator II	9
Senior Customs Officer	1,059	Assistant Data Preparation Supervisor	1
Customs Officer	2,611	Senior Confidential Assistant	1
Principal Trade Controls Officer	7	Confidential Assistant	7
Chief Trade Controls Officer	26	Senior Clerical Officer	7
Senior Trade Controls Officer	86	Clerical Officer	34
Trade Controls Officer	214	Assistant Clerical Officer	125
Assistant Trade Controls Officer	176	Clerical Assistant	106
Chief Executive Officer	1	Office Assistant	22
Senior Executive Officer	4	Chief Supplies Officer	1
Executive Officer I	18	Senior Supplies Officer	1
Executive Officer II	4	Supplies Officer	3
Senior Treasury Accountant	1	Assistant Supplies Officer	3
Treasury Accountant	4	Senior Supplies Supervisor	1
Senior Accounting Officer	1	Supplies Supervisor I	11
Accounting Officer I	6	Supplies Supervisor II	24
Accounting Officer II	1	Supplies Assistant	11
Senior Training Officer	1	Telephone Operator	1
Training Officer I	1	Special Driver	22
Senior Official Languages Officer	1	Motor Driver	61
Official Languages Officer I	3	Workman II	36
Official Languages Officer II	14	Cook	1
Calligraphist	1		

Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	18
Senior Typist	3
Typist	8
Senior Divisional Occupational Safety Officer	1
Transport Services Officer I	1

Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Management Services Officer I	1
Senior Launch Master	6
Launch Assistant	9
Special Photographer I	1
Special Photographer II	3
Total	6,086

CONTROLLING OFFICER'S REPLY

SB192

(Question Serial No.: 0996)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 143 (if applicable)

Question (Member Question No.: 29):

An estimated 5 939 non-directorate posts as at 31 March 2014 will rise by 138 posts to 6 077 posts as at 31 March 2015.

Concerning the increase in the number of posts, what are the ranks of officers, manpower allocation and the salary provision involved? Are there any other reasons for the increase?

Asked by: Hon. WONG Ting-kwong

Reply:

The Customs and Excise Department will have a net increase of 138 posts, involving an expenditure of \$48.48 million, in 2014-15. They are mainly created for combating smuggling and cross-boundary drug trafficking, enhancing the capability of investigating information technology crime and carrying out computer forensic work, maintaining the export control on powdered formula for infants, enforcing the revised Trade Descriptions Ordinance and supervising the money service operators. The details of the posts to be created and deleted are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Assistant Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	1	-
Inspector of Customs and Excise	8	-
Chief Customs Officer	7	-
Senior Customs Officer	16	-
Customs Officer	66	-4
Senior Trade Controls Officer	3	-
Trade Controls Officer	18	-
Assistant Trade Controls Officer	23	-

Rank	Number	
	Posts to be created	Posts to be deleted
Systems Manager	1	-
Analyst/Programmer II	3	-
Computer Operator I	-	-1
Computer Operator II	-	-1
Assistant Data Preparation Supervisor	-	-2
Senior Supplies Officer	1	-
Supplies Officer	-	-1
Clerical Officer	3	-
Assistant Clerical Officer	4	-
Clerical Assistant	2	-
Office Assistant	-	-2
Workman II	-	-7
Typist	-	-1

	Total
Posts to be created	157
Posts to be deleted	-19
Net increase of posts	138

CONTROLLING OFFICER'S REPLY

SB354

(Question Serial No.: 4934)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security / Secretary for the Environment
This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No.: 198):

Regarding the smuggling of elephant ivory, please inform this Committee:

- (a) of the numbers of cases detected; the quantities of elephant ivory seized and their market values; the number of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years. Please list the above information by year;
- (b) of the quantity of elephant ivory seized in the largest smuggling case detected by the Customs and Excise Department in the past 5 years and its market value; the number of persons arrested, prosecuted and convicted; as well as the penalties imposed;
- (c) whether there is any information on the destinations where the elephant ivory were supposed to be smuggled to in each of the past 5 years. If yes, please list the information by year and place; and
- (d) of the expenditure and manpower involved in combating elephant ivory smuggling in each of the past 5 years.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

a) Details regarding the cases of smuggling elephant ivory detected by the Customs and Excise Department (C&ED) in the past 5 years are set out below:

	2009	2010	2011	2012	2013
Quantity of elephant ivory	600 kg and 171 pieces of worked ivory	2 900 kg and 342 pieces of worked ivory	3 300 kg and 475 pieces of worked ivory	5 500 kg and 37 pieces of worked ivory	7 900 kg and 269 pieces of worked ivory
Number of cases detected	56	40	52	51	103

Market value	\$1.91 million	\$14.71 million	\$22.84 million	\$39.14 million	\$84.11 million
Number of persons arrested	43	35	44	34	69
Number of persons prosecuted	9	9	7	14	22
Number of persons convicted	9	8	6	14	22
Maximum penalty imposed	Imprisonment for 8 months	Imprisonment for 8 months	Imprisonment for 6 months	Imprisonment for 8 months	Imprisonment for 4 months
Minimum penalty imposed	A fine of \$3,000	A fine of \$3,000	A fine of \$2,000	A fine of \$2,500	A fine of \$30,000

b) The largest case in the same period involved 2 230 kg of elephant ivory with a total value of \$33.40 million, but no person has yet been arrested to date.

c) The elephant ivory seized were mainly reported to be destined for Hong Kong, but it was believed that the majority of them would be transferred to peripheral regions.

d) As the financial resources involved in combating smuggling activities have been subsumed under the general operating expenditures, C&ED does not have any breakdown figures for the work stated in the question.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4935)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security / Secretary for the Environment
This question originates from: Estimates on Expenditure Volume I Page 145

Question (Member Question No.199):

Regarding the handling of elephant ivory seized from smuggling activities, please inform this Committee of the following:

- (a) The current criteria and guidelines adopted by the Administration on handling elephant ivory;
- (b) It is reported that since elephant ivory is subject to the regulation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Administration is not allowed to dispose of the seized elephant ivory by auction. It is therefore stockpiled and destroyed later. Please provide details on the expenditure and manpower involved in stockpiling and destroying elephant ivory in each of the past 5 years;
- (c) The quantities of elephant ivory destroyed in each of the past 5 years and their market values;
- (d) Whether the Administration has considered other ways of handling the elephant ivory seized in each of the past 5 years, such as putting them to scientific and teaching purposes. If yes, please set out the details as well as the expenditure and manpower involved; and
- (e) Whether the Administration has any plans to conduct consultation on how the elephant ivory seized should be handled. If yes, please set out the details, timetables as well as the expenditure and manpower involved.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) The Customs and Excise Department mainly assists in the interception of endangered or protected species at various boundary control points. Elephant ivory seized would be handed to the Agriculture, Fisheries and Conservation Department (AFCD) for scientific, enforcement, identification and education uses in accordance with the principles laid down in the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) or for temporary stockpiling. In case no other practicable means of disposal is available, disposal by destruction is also permitted under CITES.
- b)-d) A total of 5.7 tonnes of elephant ivory were used by AFCD for testing different methods of destruction over the past 5 years. Value of elephant ivory is estimated to range from \$8,000 to \$15,000 per kilogram under current market conditions. Meanwhile, a small amount of elephant ivory was donated to educational bodies and used for DNA testing. Since the work in this respect is part of the duties of AFCD in complying with the obligations under CITES, the expenditure involved could hardly be quantified separately.
- e) AFCD consulted the Endangered Species Advisory Committee on how to handle the seized elephant ivory in August 2012 and January 2014. However, since the work in this respect is part of the duties of AFCD in complying with the obligations under CITES, the expenditure involved could hardly be quantified separately.

CONTROLLING OFFICER'S REPLY

SB356

(Question Serial No.: 4938)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security / Secretary for the Environment
This question originates from: Estimates on Expenditure Volume 1 Page 143

Question (Member Question No.: 200):

With regard to the implementation of the Convention on International Trade in Endangered Species of Wild Fauna and Flora in Hong Kong, please advise on the following:

- a) The numbers of smuggling activities involving species controlled under the Convention detected; the types, quantities and market values of the species involved; the numbers of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years. Please list the above information by year; and
- b) The implementation status of the Convention in Hong Kong as well as the expenditure and manpower for law enforcement in each of the past 5 years.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

a) There were various types of endangered species involved in the enforcement actions taken to combat illegal trade in endangered species. The more common items include reptile leather product, pangolin carcass/scale, ivory and orchid, etc. Figures of illegal import and export of endangered species in each of the past 5 years are listed below:

	2009	2010	2011	2012	2013
Number of Cases Detected	162	129	155	167	410
Quantity Seized	42 411 kg and 1 248 pieces	3 402 kg and 1 239 pieces	4 275 kg and 2 516 pieces	6 710 kg and 3 885 pieces	28 716 kg and 3 717 pieces

Value of Articles Seized	\$16 million	\$17 million	\$46 million	\$51 million	\$110 million
Number of Persons Arrested	116	98	132	129	271
Number of Persons Convicted	74	67	85	102	134
Maximum Penalty Imposed	Imprisonment for 8 months	Imprisonment for 8 months	Imprisonment for 6 months	Imprisonment for 8 months	Imprisonment for 4 months
Minimum Penalty Imposed	A fine of \$100	A fine of \$100	A fine of \$100	A fine of \$100	A fine of \$100

b) Details regarding the issue of licences /certificates on handling of endangered species, the examination of imported and exported cargoes as well as the inspection of shops selling endangered species conducted by the Agriculture, Fisheries and Conservation Department (AFCD) in the past five years are set out below:

	2009	2010	2011	2012	2013
Number of Licences/Certificates Issued	18 429	20 097	21 614	25 909	26 935
Number of Cargo Examination and Shop Inspection Conducted	20 779	23 756	27 763	31 899	31 932

The amounts of expenditure and manpower allocated by AFCD for the enforcement of the Convention on International Trade in Endangered Species of Wild Fauna and Flora are as follows:

	2009	2010	2011	2012	2013
Number of Staff	30	32	29	30	33
Amount of Expenditure	\$13.7 million	\$13.77 million	\$14.45 million	\$15.25 million	\$19.31 million

As the financial resources involved in combating smuggling of endangered species have been subsumed under the general operating expenditures, the Customs and Excise Department does not have any breakdown figures for the work stated in the question.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4961)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme:

- (1) Control and Enforcement
- (2) Anti-narcotics Investigation
- (3) Intellectual Property Rights and Consumer Protection
- (4) Revenue Protection and Collection
- (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 154 (if applicable)

Question (Member Question No. 611):

Regarding the staffing provision of the Customs and Excise Department, there will be an increase of (1)57, (2)40, (3)40 and (4)1 posts respectively for 4 out of 5 Programmes. Please list by Programme the rank and function of the new posts to be created in different formations, as well as the rank, function and number of staff under each Programme and formation in each of the past 3 years.

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

The Customs and Excise Department will have a net increase of 138 posts in 2014-15. They are mainly deployed for combating smuggling and cross-boundary drug trafficking, enhancing the capability of investigating information technology crime and carrying out computer forensic work, maintaining the export control on powdered formula for infants, enforcing the revised Trade Descriptions Ordinance and supervising the money service operators. The details of the posts to be created and deleted are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Programme (1)		
Assistant Superintendent of Customs and Excise	1	
Senior Inspector of Customs and Excise	1	

Inspector of Customs and Excise	7	
Chief Customs Officer	2	
Senior Customs Officer	9	
Customs Officer	31	-4
Senior Trade Controls Officer	1	
Trade Controls Officer	3	
Assistant Trade Controls Officer	8	
Systems Manager	1	
Analyst/Programmer II	3	
Computer Operator I		-1
Computer Operator II		-1
Assistant Data Preparation Supervisor		-2
Senior Supplies Officer	1	
Supplies Officer		-1
Clerical Officer	3	
Assistant Clerical Officer	2	
Clerical Assistant	1	
Office Assistant		-1
Workman II		-7
Sub-total:	74	-17
Programme (2)		
Inspector of Customs and Excise	1	
Chief Customs Officer	5	
Senior Customs Officer	7	
Customs Officer	27	
Sub-total:	40	0
Programme (3)		
Senior Trade Controls Officer	2	
Trade Controls Officer	15	
Assistant Trade Controls Officer	15	
Customs Officer	8	
Sub-total:	40	0
Programme (4)		
Assistant Clerical Officer	2	
Clerical Assistant	1	
Office Assistant		-1
Typist		-1
Sub-total:	3	-2

Programme (5)		
No creation or deletion of posts	-	-
Sub-total:	-	-
Posts to be created		157
Posts to be deleted		-19
Net increase of posts		138

Besides, the establishment of each rank in the past 3 years are as follows:

(i) 2011-12

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	2
Senior Superintendent of Customs and Excise	16	Systems Manager	4
Superintendent of Customs and Excise	33	Analyst / Programmer I	14
Assistant Superintendent of Customs and Excise	73	Analyst / Programmer II	6
Senior Inspector of Customs and Excise	302	Assistant Computer Operation Manager	1
Inspector of Customs and Excise	413	Senior Computer Operator	1
Chief Customs Officer	328	Computer Operator I	10
Senior Customs Officer	971	Computer Operator II	10
Customs Officer	2,416	Assistant Data Preparation Supervisor	4
Principal Trade Controls Officer	6	Senior Confidential Assistant	1
Chief Trade Controls Officer	25	Confidential Assistant	7
Senior Trade Controls Officer	81	Senior Clerical Officer	6
Trade Controls Officer	223	Clerical Officer	26
Assistant Trade Controls Officer	139		

Chief Executive Officer	1
Senior Executive Officer	4
Executive Officer I	17
Executive Officer II	6
Senior Treasury Accountant	1
Treasury Accountant	4
Senior Accounting Officer	1
Accounting Officer I	5
Accounting Officer II	1
Senior Training Officer	1
Senior Official Languages Officer	1
Official Languages Officer I	3
Official Languages Officer II	13
Calligraphist	1
Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	22
Senior Typist	4
Typist	10
Senior Divisional Occupational Safety Officer	1
Transport Services Officer I	1

Assistant Clerical Officer	113
Clerical Assistant	100
Office Assistant	25
Chief Supplies Officer	1
Supplies Officer	4
Assistant Supplies Officer	3
Senior Supplies Supervisor	1
Supplies Supervisor I	11
Supplies Supervisor II	24
Supplies Assistant	11
Telephone Operator	1
Special Driver	20
Motor Driver	59
Workman II	49
Cook	1
Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Management Services Officer I	1
Senior Launch Master	6
Launch Assistant	9
Special Photographer I	1
Special Photographer II	3
Total	5,683

(ii) 2012-13

Rank	Establishment
Commissioner of Customs and Excise	1
Deputy Commissioner of Customs and Excise	1
Assistant Commissioner of Customs and Excise	3
Administrative Officer Staff Grade C	1
Senior Principal Trade Controls Officer	1
Chief Superintendent of Customs and Excise	2

Rank	Establishment
Statistician	1
Statistical Officer I	2
Statistical Officer II	2
Armourer I	1
Armourer III	1
Senior Systems Manager	1
Systems Manager	4

Senior Superintendent of Customs and Excise	16
Superintendent of Customs and Excise	31
Assistant Superintendent of Customs and Excise	76
Senior Inspector of Customs and Excise	307
Inspector of Customs and Excise	437
Chief Customs Officer	311
Senior Customs Officer	1,082
Customs Officer	2,455
Principal Trade Controls Officer	6
Chief Trade Controls Officer	26
Senior Trade Controls Officer	83
Trade Controls Officer	203
Assistant Trade Controls Officer	151
Chief Executive Officer	1
Senior Executive Officer	4
Executive Officer I	17
Executive Officer II	4
Senior Treasury Accountant	1
Treasury Accountant	4
Senior Accounting Officer	1
Accounting Officer I	6
Accounting Officer II	1
Senior Training Officer	1
Training Officer I	1
Senior Official Languages Officer	1
Official Languages Officer I	3
Official Languages Officer II	14
Calligraphist	1
Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	22
Senior Typist	3
Typist	9

Analyst / Programmer I	14
Analyst / Programmer II	6
Assistant Computer Operation Manager	1
Senior Computer Operator	1
Computer Operator I	10
Computer Operator II	10
Assistant Data Preparation Supervisor	4
Senior Confidential Assistant	1
Confidential Assistant	7
Senior Clerical Officer	7
Clerical Officer	27
Assistant Clerical Officer	121
Clerical Assistant	99
Office Assistant	25
Chief Supplies Officer	1
Supplies Officer	4
Assistant Supplies Officer	3
Senior Supplies Supervisor	1
Supplies Supervisor I	11
Supplies Supervisor II	24
Supplies Assistant	11
Telephone Operator	1
Special Driver	22
Motor Driver	61
Workman II	46
Cook	1
Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Senior Launch Master	6
Launch Assistant	9

Senior Divisional Occupational Safety Officer	1
Transport Services Officer I	1
Management Services Officer I	1

Special Photographer I	1
Special Photographer II	3
Total	5 849

(ii) 2013-14

Rank	Establishment
Commissioner of Customs and Excise	1
Deputy Commissioner of Customs and Excise	1
Assistant Commissioner of Customs and Excise	3
Administrative Officer Staff Grade C	1
Senior Principal Trade Controls Officer	1
Chief Superintendent of Customs and Excise	2
Senior Superintendent of Customs and Excise	17
Superintendent of Customs and Excise	31
Assistant Superintendent of Customs and Excise	77
Senior Inspector of Customs and Excise	328
Inspector of Customs and Excise	426
Chief Customs Officer	347
Senior Customs Officer	1,043
Customs Officer	2,549
Principal Trade Controls Officer	7
Chief Trade Controls Officer	26
Senior Trade Controls Officer	83
Trade Controls Officer	196
Assistant Trade Controls Officer	153
Chief Executive Officer	1
Senior Executive Officer	4
Executive Officer I	18
Executive Officer II	4

Rank	Establishment
Statistician	1
Statistical Officer I	2
Statistical Officer II	2
Armourer I	1
Armourer III	1
Senior Systems Manager	2
Systems Manager	3
Analyst / Programmer I	13
Analyst / Programmer II	6
Assistant Computer Operation Manager	1
Senior Computer Operator	1
Computer Operator I	10
Computer Operator II	10
Assistant Data Preparation Supervisor	3
Senior Confidential Assistant	1
Confidential Assistant	7
Senior Clerical Officer	7
Clerical Officer	31
Assistant Clerical Officer	121
Clerical Assistant	104
Office Assistant	24
Chief Supplies Officer	1

Senior Treasury Accountant	1
Treasury Accountant	4
Senior Accounting Officer	1
Accounting Officer I	6
Accounting Officer II	1
Senior Training Officer	1
Training Officer I	1
Senior Official Languages Officer	1
Official Languages Officer I	3
Official Languages Officer II	14
Calligraphist	1
Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	18
Senior Typist	3
Typist	9
Senior Divisional Occupational Safety Officer	1
Transport Services Officer I	1

Supplies Officer	4
Assistant Supplies Officer	3
Senior Supplies Supervisor	1
Supplies Supervisor I	11
Supplies Supervisor II	24
Supplies Assistant	11
Telephone Operator	1
Special Driver	22
Motor Driver	61
Workman II	43
Cook	1
Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Management Services Officer I	1
Senior Launch Master	6
Launch Assistant	9
Special Photographer I	1
Special Photographer II	3
Total	5,948

CONTROLLING OFFICER'S REPLY**SB358****(Question Serial No.5493)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 143 (if applicable)

Question (Member Question No. 67):

The Customs and Excise Department will increase 138 posts in 2014-15 under this Head. Please tabulate information on the grade, scope of duties and annual salary provision of these posts and explain the services that will be enhanced by the increase of these posts?

Asked by: Hon. CHEUNG Yu-yan, Tommy

Reply:

The Customs and Excise Department will have a net increase of 138 posts, involving an expenditure of \$48.48 million, in 2014-15. They are mainly deployed for combating smuggling and cross-boundary drug trafficking, enhancing the capability of investigating information technology crime and carrying out computer forensic work, maintaining the export control on powdered formula for infants, enforcing the revised Trade Descriptions Ordinance and supervising the money service operators. The details of the posts to be created and deleted are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Assistant Superintendent of Customs and Excise	1	-
Senior Inspector of Customs and Excise	1	-
Inspector of Customs and Excise	8	-
Chief Customs Officer	7	-
Senior Customs Officer	16	-
Customs Officer	66	-4
Senior Trade Controls Officer	3	-
Trade Controls Officer	18	-
Assistant Trade Controls Officer	23	-
Systems Manager	1	-
Analyst/Programmer II	3	-
Computer Operator I	-	-1

Rank	Number	
	Posts to be created	Posts to be deleted
Computer Operator II	-	-1
Assistant Data Preparation Supervisor	-	-2
Senior Supplies Officer	1	-
Supplies Officer	-	-1
Clerical Officer	3	-
Assistant Clerical Officer	4	-
Clerical Assistant	2	-
Office Assistant	-	-2
Workman II	-	-7
Typist	-	-1

	Total
Posts to be created	157
Posts to be deleted	-19
Net increase of posts	138

CONTROLLING OFFICER'S REPLY

SB359

(Question Serial No.4137)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 145 (if applicable)

Question (Member Question No.137):

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. What is the estimated provision earmarked by the Department for enforcing the Ordinance in 2014-15?

Asked by: Hon. KWOK Ka-ki

Reply:

The number of persons arrested by the Customs and Excise Department (C&ED) in enforcing the Import and Export Ordinance at various control points in the past 5 years are as follows:

	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 -14 (as at 28 February)
No. of persons arrested	260	239	237	724	4 823

The expenditure involved in the work under Programme (1) Control and Enforcement by C&ED in 2014-15 is \$2,227.9 million. As enforcement of the Import and Export Ordinance is one of the general duties of C&ED, the manpower involved cannot be separately quantified.

CONTROLLING OFFICER'S REPLY

SB360

(Question Serial No.:4138)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No.:140):

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	Infringement of trade descriptions
2009	Amount						
	Number of persons involved						
2010	Amount						
	Number of persons involved						
2011	Amount						
	Number of persons involved						
2012	Amount						
	Number of persons involved						
2013	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
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	473	20	4	22 026	116	533
	Number of persons arrested	430	14	0	11 549	166	506
2013	Number of cases	518	28	2	18 605	99	749
	Number of persons arrested	442	20	0	11 703	143	659

Note 1: Since the items seized are of various types involving different measurement units, we list the number of cases instead.

CONTROLLING OFFICER'S REPLY**SB361****(Question Serial No. 4140)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Security

This question originates from: Estimates on Expenditure Volume 1 Page 146

Question (Member Question No. 145):

In the past 5 years, 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:

	2009	2010	2011	2012	2013
Number of Cases Detected	144	170	185	214	231
Number of Persons Arrested	157	177	205	211	258

CONTROLLING OFFICER'S REPLY**SB362****(Question Serial No. 4141)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Security

This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No. 146):

In the past 5 years, how many drug manufacturing 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 workshops and distribution centres detected by the Customs and Excise Department within Hong Kong were as follows:

	2009	2010	2011	2012	2013
Drug Manufacturing Workshop	1	2	-	-	1
Distribution Centre	8	15	11	3	10

CONTROLLING OFFICER'S REPLY

(Question Serial No.4277)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (2) Anti-narcotics Investigation
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security
This question originates from: Estimates on Expenditure Volume 1 Page 146

Question (Member Question No.63):

Regarding the collection, collation and exchange of anti-narcotics intelligence with law enforcement agencies in or outside Hong Kong in the past 3 years, would the Administration advise this Committee on the following:

1. The number of cases in which Mainland law enforcement agencies informed their Hong Kong counterparts of arrests of Hong Kong residents on the Mainland for drug abuse broken down by age and sex.
2. The number of arrests of Hong Kong residents on the Mainland for drug abuse broken down by province and city, place of arrest as well as penalty imposed.
3. The expenditures and manpower involved in such work every year.

Asked by: Hon. KWOK Wai-keung

Reply:

1 & 2. The Department does not maintain separate data on the number of cases regarding arrests of Hong Kong residents on the Mainland for drug abuse and the penalty imposed. According to the statistics of the Central Registry of Drug Abuse, the numbers of people reported to have taken drugs on the Mainland in 2011, 2012 and 2013 were 876, 630 and 498 respectively.

3. No separate data is available as the work is part of the general enforcement duties of the Department.

CONTROLLING OFFICER'S REPLY

(Question Serial No.6567)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (2) Anti-narcotics Investigation
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Security
This question originates from: Estimates on Expenditure Volume 1 Page 146

Question (Member Question No. 62):

Regarding the dangerous drugs seized by the Customs and Excise Department, please give the number of the seizure cases of the following drugs broken down by control point in 2013-14:

- i. No. 4 heroin
- ii. Cannabis
- iii. Methylamphetamine
- iv. Ecstasy-type drugs (tablet)
- v. Cocaine

Asked by: Hon. KWOK Wai-keung

Reply:

In 2013, the Customs and Excise Department detected at boundary control points a total of 81 cases involving heroin, 44 cases involving cannabis, 124 cases involving methylamphetamine, 5 cases involving ecstasy-type drugs, and 50 cases involving cocaine.

CONTROLLING OFFICER'S REPLY

SB365

(Question Serial No. 4689)

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 156 (if applicable)

Question (Member Question No. 98):

Regarding the engagement of agency workers, please provide the following information:

Asked by: Hon. WONG Kwok-hing

Reply:

The details of agency workers engaged by C&ED under T-contract (Note 1) are as follows:

	2013-14 (Position as at 31.1.2014)
Number of contracts with employment agencies	105 (-13.2%)*
Contract sum paid to each employment agency	\$134,000 to \$21,794,000 (Not applicable)
Duration of service of each employment agency	2 to 12 months (Not applicable)
Number of agency workers	1 to 46 (Not applicable)
Details of the positions held by agency workers	Information technology support and system development
Monthly salary range of agency workers <ul style="list-style-type: none"> • \$30,001 or above • \$16,001 to \$30,000 • \$8,001 to \$16,000 • \$6,501 to \$8,000 • \$6,240 to \$6,500 • under \$6,240 	A T-contract only stipulates charges involved in the provision of services by an agency, and does not include a more detailed breakdown.

	2013-14 (Position as at 31.1.2014)
Length of service of agency workers <ul style="list-style-type: none"> • over 15 years • 10 to 15 years • 5 to 10 years • 3 to 5 years • 1 to 3 years • under 1 year 	A T-contract only stipulates the length of services of an agency and does not stipulate obligatorily the length of services of the employees.
Percentage of agency workers against the total number of staff	1.7% (-13.2%)*
Percentage of payments to employment agencies against total staff costs	2.0% (-13.0%)*
Number of workers who received severance payment/long service payment/contract gratuity	Since the agencies provide services under contracts, the severance payment /long service payment/contract gratuity depend on the related terms of employment.
Amount of severance payment/ long service payment/contract gratuity paid	
Number of workers with severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	Since the agencies provide services under contracts, whether the severance payment/long service payment are offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF depend on the related terms of employment.
Amount of severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	
Number of workers with paid meal break	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 provide services 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 workers without paid meal break	
Number of workers working 5 days per week	
Number of workers working 6 days per week	

* Percentage of change as compared with 2012-13

(Note 1) T-contracts refer to the term contracts centrally administered by the Office of the Government Chief Information Officer. Apart from T-contract, the Department did not engage employees provided by other agencies in 2013-14.

CONTROLLING OFFICER'S REPLY

SB366

(Question Serial No. 4690)

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 156 (if applicable)

Question (Member Question No. 99):

Regarding the engagement of outsourced workers, please provide the following information:

Asked by: Hon. WONG Kwok-hing

Reply:

The details of engaging outsourced workers by C&ED are as follows:

	2013-14 (Position as at 10.3.2014)
Number of outsourced service contracts	14 (-39.1%)*
Total payments to outsourced service providers	\$106,955,107 (+271.4%)*
Duration of service of each outsourced service provider	1 to 3 year (Not applicable)
Number of workers engaged through outsourced service providers	228 (+6.5%)*
Details of the positions held by outsourced workers	Property management, security and cleansing
Monthly salary range of outsourced workers <ul style="list-style-type: none"> • \$30,001 or above • \$16,001 to \$30,000 • 8,001 to \$16,000 • \$6,501 to \$8,000 • \$6,240 to \$6,500 • under \$6,240 	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 per week (whichever is higher).

	2013-14 (Position as at 10.3.2014)
Length of service of outsourced workers <ul style="list-style-type: none"> • over 15 years • 10 to 15 years • 5 to 10 years • 3 to 5 years • 1 to 3 years • under 1 year 	The contracts by which government departments procure outsourcing services do not set out the length of employment of the employees.
Percentage of outsourced workers against the total number of staff	3.7% (+2.8%)*
Percentage of payments to outsourced service providers against the total staff costs	4.7% (+261.5%)*
Number of workers who received severance payment/long service payment/contract gratuity	The contracts by which government departments procure outsourcing services do not require the outsourced service providers to provide the related information, but it is stipulated in the contracts that the outsourced service providers must pay severance/long service payment/contract gratuity to the workers concerned in accordance with the relevant Employment Ordinance.
Amount of severance payment/ long service payment/contract gratuity paid	-please see the above-
Number of workers with severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	-please see the above-
Amount of severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	-please see the above-
Number of workers with paid meal break Number of employees without paid 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 per week (whichever is higher), but there is no obligatory stipulation of whether the meal breaks are remunerated.
Number of workers working 5 days per week Number of workers working 6 days per week	The contracts by which the government departments procure outsourcing services do not stipulate obligatorily the number of working days per week of the employees.

**Percentage of change as compared with 2012-13*

CONTROLLING OFFICER'S REPLY**SB367****(Question Serial No. 4691)**

Head: (31) Customs and Excise Department

Subhead: (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 156 (if applicable)

Question (Member Question No. 100):

Regarding the engagement of non-civil service contract (NCSC) staff, please provide the following information:

Asked by: Hon. WONG Kwok-hing

Reply:

The details of engaging NCSC staff by C&ED are as follows:

	2013-14 (Position as at 31 December 2013)
Number of NCSC staff	144 (+928.57%)*
Details of the positions held by NCSC staff	19 Executive Assistants, 3 General Clerks, 3 Vessel Assistants, 119 Customs Assistants (Note 1)
Payroll costs of NCSC staff	\$25.67 m (+754.5%)*
Monthly salary range of NCSC staff	
• \$30,001 or above	0
• \$16,001 to \$30,000	138 (+1 871.43%)*
• \$8,001 to \$16,000	6 (-14.29%)*
• \$6,501 to \$8,000	0
• \$6,240 to \$6,500	0
• below \$6,240	0
Length of service of NCSC staff	
• over 15 years	0
• 10 to 15 years	0
• 5 to 10 years	0
• 3 to 5 years	1 (-75%)*
• 1 to 3 years	7 (+40%)*
• under 1 year	136 (+ 2 620%)*

	2013-14 (Position as at 31 December 2013)
Number of NCSC staff successfully appointed as civil servants	(Note 2)
Percentage of NCSC staff against the total number of staff	2.36% (+883.33%)*
Percentage of staff costs for NCSC staff against the total staff costs	1.14% (+714.3%)*
Number of NCSC staff who received severance payment/long service payment/contract gratuity	121 (1 916.7%)*
Amount of severance payment/long service payment/contract gratuity paid	\$735,000 (+516.1%)*
Number of NCSC staff with severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	1 (-50%)*
Amount of severance payment/long service payment offset by or contract gratuity calculated from the accrued benefits attributable to employer's contributions to MPF	\$31,233 (-62.7%)*
Number of NCSC staff with paid meal break	144 (+928.57%)*
Number of NCSC staff without paid meal break	-
Number of NCSC staff working 5 days per week	22 (+57.14%)*
Number of NCSC staff adopting other working patterns (Note 3)	122

**Percentage of change as compared with 2012-13*

- Note 1 To exercise the export control on powered formula for infants by the Government since 1 March 2013, C&ED has employed 119 Customs Assistants on NCSC terms to provide assistance.
- Note 2 C&ED does not have the related information and NCSC staff are not required to declare the related information to C&ED.
- Note 3 The weekly working hours of Vessel Assistant and Customs Assistant do not exceed 48 hours but they have to work on shift or irregular working hours in accordance with actual needs.

CONTROLLING OFFICER'S REPLY

SB368

(Question Serial No. 5237)

Head: (31) Customs and Excise Department

Subhead (No. & title): (000) Operational expenses

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

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

This question originates from: Estimates on Expenditure Volume 1 Page 157

Question (Member Question No. 13):

What is the provision for duty visits or exchanges in Mainland China by the Customs and Excise Department in 2014-2015? Please advise the Committee on the themes of the duty visits or exchanges planned to take place in Mainland China in 2014-2015. How will the Administration avoid non-duty-related activities during duty visits? In addition, how will the Administration prevent applications for changes of places of visit from being relegated to mere formalities?

Asked by: Hon WONG Yuk-man

Reply:

The main purpose of duty visits conducted by the Customs and Excise Department (C&ED) is to strengthen cooperation on multilateral law enforcement and to take forward the initiatives on business facilitation.

C&ED does not prepare estimates for duty visits by country or region. The overall estimate for duty visits by C&ED for 2014-15 is more or less the same as the expenditure of the previous year. In 2013-14 (as at 27 March 2014), the expenditure was approximately \$5.7 million.

The duty visit related expenses to be paid by public money are subject to the control of relevant regulations and guidelines to ensure effective monitoring and proper use of public money. These controls include that the duty visit should be well justified on operational grounds; prior approvals have to be sought for all duty visits; and non-duty related issues should be avoided. The applicant will have to provide all information related to the proposed duty visit in the application as far as possible. As and when there are substantial changes in the visit programme after the grant of approval, the applicant should inform the approving officer for reassessment the need to consider the application afresh.

CONTROLLING OFFICER'S REPLY**CEDB(CIT)234****(Question Serial No.: 4939)**

Head: (31) Customs and Excise Department

Subhead: (-) Not specified

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question: (Member Question No.: 601)

In respect of prevention and detection of copyright and trade mark infringement, please advise on the following:

- a) What were the respective number of infringing activities on the Internet detected; the products involved and their market values; the numbers of persons arrested, prosecuted and convicted; as well as the maximum and minimum penalties imposed in each of the past 5 years? Please list the above information by year.
- b) Regarding stepping up law enforcement and publicity education related to intellectual property rights, what will be the Administration's future work plans and timetables as well as the expenditures and manpower involved?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

Details of the cases of infringing activities on the Internet detected by the Customs and Excise Department in the past 5 years are as follows:

	2009	2010	2011	2012	2013
Number of cases	55	63	65	64	162
Number of persons arrested	60	67	74	79	190
Value of articles (mostly involving clothing, watches and accessories)	\$0.91 million	\$1.05 million	\$1.17 million	\$1.00 million	\$2.48 million

Number of persons convicted ¹	38	63	51	52	114
Amount of fines	\$1,000 – \$27,000	\$200 – \$15,000	\$200 – \$20,000	\$500 – \$20,000	\$500 – \$20,000
Community service order	30 – 200 hours	40 – 240 hours	60 – 160 hours	80 – 160 hours	70 – 180 hours
Term of imprisonment	1 – 4 months	28 days – 6 months	28 days – 8 months	14 days – 6 months	14 days – 6 months

In the past few years, the Department has set up three “Anti-Internet Piracy Teams” comprising 45 officers and the “Electronic Crime Investigation Centre”. The “Lineament Monitoring System I+” against Cyberlockers (network drives) has also been developed. The estimated expenditure on system maintenance in 2014-15 is \$0.936 million. The Department will continue to cooperate with the Intellectual Property Department as well as business and trade organisations to enhance the awareness of intellectual property rights protection among all sectors.

¹ Cases concluded during the year.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4948)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 602):

According to reports, there is a commission mechanism for network hard drive used for file download ("network drives" for short) by which one can earn a certain amount of commission for uploading a file based on the number of downloads. Regarding this, please advise on the following:

- a) Have such infringing activities been detected in each of the past 3 years? If so, what were the number of cases; the types and market values of the products involved; the numbers of persons arrested, prosecuted and convicted; the amount of commission involved; as well as the maximum and minimum penalties imposed? Please list the above information by year.
- b) What kinds of enforcement actions against "network drives" have been carried out by the Administration? What were the expenditure and manpower involved?
- c) Has the Administration looked into how "network drives" are different from usual infringing activities on the Internet? If so, what are the details?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

a) The infringement cases relating to network drive as detected by the Customs and Excise Department (C&ED) in the past 3 years mainly involved images, sounds and computer software. However, there was no evidence to indicate that commission was received. Details are as follows:

	2011	2012	2013
Number of cases	6	2 ¹	3
Number of persons arrested	12	1	4
Number of persons convicted ²	3	1	3
Amount of fines	\$4 000-\$8 000	-	-
Community service orders	120 hours	120 hours	80-120 hours

b) To combat intellectual property rights infringements on the Internet, C&ED has set up three

¹ The suspect in one of the cases was apprehended by a Macau law enforcement agent.

² Cases concluded during the year.

“Anti-Internet Piracy Teams” comprising 45 officers and the “Electronic Crime Investigation Centre”, and developed the “Lineament Monitoring System I+” against Cyberlockers (i.e. network drives). In 2014-15, these measures which target at intellectual property rights infringements on the Internet will involve an estimated expenditure on system maintenance and salary provision of \$0.936 million and \$16 million respectively. It is difficult to quantify the breakdowns. The Department will continue to cooperate with the Intellectual Property Department as well as business and trade organisations to enhance the awareness of intellectual property rights protection among all sectors.

c) As network drives are highly covert, law-breakers may easily upload infringing files to such third-party platforms for downloading by others. Investigation will become more difficult if the facilities are located overseas.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 4949)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No.: 603):

Regarding the number of spot checks on fair trading in articles carried out by the Customs and Excise Department (C&ED), please inform this Committee of the following:

- a) The details of the work in each of the past 3 years.
- b) The estimated number of spot checks in 2014 is 4 000, which is lower than the actual numbers in 2012 and 2013. What are the reasons?
- c) Will C&ED consider adjusting the estimated number? If yes, what are the changes in the expenditure and manpower involved?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

a) In the past 3 years, apart from adopting risk-based and intelligence-led strategies, the Customs and Excise Department (C&ED) also conducted blitz checks and test-buy operations by posing as customers from time to time, and carried out follow-up investigations based on complaints received from the public. C&ED also implemented the Product Monitoring Scheme and strengthened monitoring over shops in tourist areas during long holidays so as to protect consumer interests.

b) and c)

The indicator of spot checks for 2014 (4 000) is an estimate, which is the same as that in the last few years. The number of actual checks may, depending on the circumstances, differ from the estimate. In fact, in 2012 and 2013, the number of actual checks exceeded the estimate indicator.

With the commencement of the amended Trade Descriptions Ordinance in July 2013, the spots checks commenced by C&ED in the second half of 2013 mainly aimed at monitoring the latest market situation and reminding traders of the need to comply with the legislative requirements. In 2014-15, C&ED will focus on and inspect sales of products of relatively higher concern and traders under repeated complaints from consumers.

C&ED will flexibly deploy resources to cope with the actual circumstances. Officers responsible for the work in this respect also perform other enforcement duties at the same time. It is difficult to separately quantify the expenditure involved.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 4950)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No.: 604):

Regarding the number of verifications on import/export of optical disc mastering and replication equipment carried out by the Customs and Excise Department (C&ED), please inform this Committee of the following:

- a) The details of the work in each of the past 3 years.
- b) The estimated number of verifications in 2014 is 150, which is lower than the actual numbers in 2012 and 2013. What are the reasons?
- c) Will C&ED consider adjusting the estimated number? If yes, what are the changes in the expenditure and manpower involved?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) The numbers of licences for import/export of optical disc mastering and replication equipment verified by the Customs and Excise Department in the past 3 years are 181, 201 and 157 respectively.
- b) With the advancement of digital multimedia technology, the number of registered optical disc manufacturing factories has dropped to 20 and the demand for the import/export of relevant equipment has also decreased as a result. The indicator for verification in 2014-15 has therefore been adjusted downwards to 150 accordingly.
- c) The Department will review our present service level and mode of operation from time to time. We have also deployed 3 officers from the Optical Disc Licence Division to assist in combating infringing activities on the Internet and promoting intellectual property rights. For the 7 remaining officers, the expenditure involved is \$3.3 million.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4955)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No.605):

Regarding the work of the Customs and Excise Department relating to weights and measures, please advise on the following:

- a) Due to the deployment of resources to handle urgent tasks, the number of spot checks conducted in 2013 was lower than that in 2012. What are the details of the tasks involved, and how much resources, expenditure and manpower were deployed?
- b) Has the Administration assessed the impact of the deployment on the scheduled work?
- c) Has the Administration assessed the estimated additional expenditure required to cope with the urgent tasks so that no deployment has to be made and that the scheduled work would not be affected?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) In 2013-14, the Customs and Excise Department redeployed 11 officers originally responsible for the enforcement work on weights and measures to assist in the implementation of the export control on powdered formula for infants and the enforcement of the amended Trade Descriptions Ordinance.
- b) and c) When deploying manpower to handle the tasks concerned, the Department would formulate contingency measures carefully, enhance risk management and accord priority to the more urgent cases, in order to minimize the impact on the existing work.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4956)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No.606):

Regarding the work of the Customs and Excise Department relating to toys and children's products safety, please advise on the following:

- a) Due to the deployment of resources to handle urgent tasks, the number of spot checks conducted in 2013 was lower than that in 2012. What are the details of the tasks involved, and how much resources, expenditure and manpower were deployed?
- b) Has the Administration assessed the impact of the deployment on the scheduled work?
- c) Has the Administration assessed the estimated additional expenditure required to cope with the urgent tasks so that no deployment has to be made and that the scheduled work would not be affected?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) In 2013-14, the Customs and Excise Department redeployed 11 officers originally responsible for the enforcement work on toys and children's products safety to assist in the implementation of the export control on powdered formula for infants and the enforcement of the amended Trade Descriptions Ordinance.
- b) and c) When deploying manpower to handle the tasks concerned, the Department would formulate contingency measures carefully, enhance risk management and accord priority to the more urgent cases, in order to minimize the impact on the existing work.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4957)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No.607):

Regarding the work of the Customs and Excise Department relating to consumer goods safety, please advise on the following:

- a) Due to the deployment of resources to handle urgent tasks, the number of spot checks conducted in 2013 was lower than that in 2012. What are the details of the tasks involved, and how much resources, expenditure and manpower were deployed?
- b) Has the Administration assessed the impact of the deployment on the scheduled work?
- c) Has the Administration assessed the estimated additional expenditure required to cope with the urgent tasks so that no deployment has to be made and that the scheduled work would not be affected?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) In 2013-14, the Customs and Excise Department redeployed 10 officers originally responsible for the enforcement work on consumer goods safety to assist in the implementation of the export control on powdered formula for infants and the enforcement of the amended Trade Descriptions Ordinance.
- b) and c) When deploying manpower to handle the tasks concerned, the Department would formulate contingency measures carefully, enhance risk management and accord priority to the more urgent cases, in order to minimize the impact on the existing work.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4958)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (5) Trade Controls
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No.608):

Regarding the number of blitz checks on consignments subject to licensing control or covered by Certificates of Hong Kong Origin at entry and exit points as well as public cargo working areas conducted by the Customs and Excise Department, please advise on the following:

- a) Due to the deployment of resources to handle urgent tasks, the number of spot checks conducted in 2013 was lower than that in 2012. What are the details of the tasks involved, and how much resources, expenditure and manpower were deployed?
- b) Has the Administration assessed the impact of the deployment on the scheduled work?
- c) Has the Administration assessed the estimated additional expenditure required to cope with the urgent tasks so that no deployment has to be made and that the scheduled work would not be affected?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) In 2013-14, the Customs and Excise Department redeployed 12 officers originally responsible for conducting blitz checks at various entry and exit points as well as public cargo working areas to assist in the implementation of the export control on powdered formula for infants and the enforcement of the amended Trade Descriptions Ordinance.
- b) and c) When deploying manpower to handle the tasks concerned, the Department would formulate contingency measures carefully, enhance risk management and accord priority to the more urgent cases, in order to minimise the impact on the existing work.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4959)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (5) Trade Controls
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No.609):

Regarding the number of factory and consignment inspections conducted by the Customs and Excise Department, please advise on the following:

- a) Due to the deployment of resources to handle urgent tasks, the number of spot checks conducted in 2013 was lower than that in 2012. What are the details of the tasks involved, and how much resources, expenditure and manpower were deployed?
- b) Has the Administration assessed the impact of the deployment on the scheduled work?
- c) Has the Administration assessed the estimated additional expenditure required to cope with the urgent tasks so that no deployment has to be made and that the scheduled work would not be affected?
- d) The estimated figure for 2014 is 34 300, which includes 8 130 consignment checks on pharmaceutical products. That means the number of factory and consignment inspections is 26 170, which is lower than the actual figures for 2012 and 2013. What are the reasons? Does the Administration have any plans to adjust the number of inspections, and what are the additional expenditure and manpower involved?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

- a) In 2013-14, the Customs and Excise Department redeployed 7 officers originally responsible for conducting factory and consignment inspections to assist in the implementation of the export control on powdered formula for infants and the enforcement of the amended Trade Descriptions Ordinance.
- b) and c) When deploying manpower to handle the tasks concerned, the Department would formulate contingency measures carefully, enhance risk management and accord priority to the more urgent cases, in order to minimise the impact on the existing work.
- d) As a result of global liberalisation in trade, the control measures for import and export of textiles have been phasing out. The number of factory inspections can be reduced accordingly.

CONTROLLING OFFICER'S REPLY

(Question Serial No.4960)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (3) Intellectual Property Rights and Consumer Protection
(5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No.610):

Regarding the deployment of resources to handle urgent tasks by the Customs and Excise Department in 2013, spot checks on weights and measures, toys and children's products safety and consumer goods safety; blitz checks on consignments subject to licensing control or covered by CO(CEPA) at entry and exit points and public cargo working areas; as well as factory and consignment inspections were involved. How would the Administration ensure that the originally scheduled work would not be affected by these urgent tasks? Does the Administration have any plans to deploy additional resources, expenditure and manpower to handle urgent tasks? If yes, what are the details?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

When deploying manpower to handle the tasks concerned, the Customs and Excise Department would formulate contingency measures carefully, enhance risk management and accord priority to the more urgent cases, in order to minimize the impact on the existing work.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4988)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 481):

- a) How would the Administration measure traders' compliance with the requirements on trade descriptions and trade practices through spot checks? What is the expenditure involved?
- b) How would the Administration investigate complaints relating to short weights and measures, unsafe toys and children's products and consumer goods, false trade descriptions and unfair trade practices? What is the expenditure involved?
- c) How would the Administration strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services? What is the expenditure involved?

Asked by: Hon. CHAN Ka-lok, Kenneth

Reply:

a) & b)

Apart from adopting risk-based and intelligence-led strategies, the Customs and Excise Department (C&ED) conducts blitz checks and test-buy operations by posing as customers from time to time, and carries out follow-up investigations based on complaints received from the public. C&ED also checks the accuracy of weighing and measuring equipment and tests various types of toys, children's products and consumer goods. Moreover, it has implemented the Product Monitoring Scheme and strengthened monitoring over shops in tourist areas during long holidays so as to protect consumer interests. Since the aforesaid duties are part of the general enforcement work of C&ED, it would be difficult to separately quantify the expenditure involved.

c) In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work under the amended Trade Descriptions Ordinance. The total expenditure involved will be \$83.56 million. Apart from continuing to improve the three-pronged strategy of prevention, education and enforcement, C&ED will flexibly deploy resources, and focus on and inspect sales of products of relatively higher concern and traders under repeated complaints from consumers.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 2832)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No.: 21):

The amended Trade Descriptions Ordinance has come into operation since July last year. The Administration also mentioned in the "Matters Requiring Special Attention" that it would strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. However, the number of spot checks on fair trading in articles (trade descriptions) in 2014 will decrease instead of increasing. Would the Administration advise the Committee on the reason for that?

Asked by: Hon CHEUNG Wah-fung, Christopher

Reply:

The indicator of spot checks for 2014 (4 000) is an estimate, which is the same as that in the last few years. The number of actual checks may, depending on the circumstances, differ from the estimate. In fact, in 2012 and 2013, the number of actual checks exceeded the estimate indicator.

With the commencement of the amended Trade Descriptions Ordinance in July last year, the spot checks commenced by the Customs and Excise Department (C&ED) in the second half of 2013 mainly aimed at monitoring the latest market situation and reminding traders of the need to comply with the legislative requirements. In 2014-15, C&ED will focus on and inspect sales of products of relatively higher concern and traders under repeated complaints from consumers.

CONTROLLING OFFICER'S REPLY**CEDB(CIT)246****(Question Serial No.: 0681)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question: (Member Question No. : 25)

What were the expenditure, manpower provision and number of operations involved in preventing and detecting infringing articles in 2013-14? 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 2014-15, 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 2013-14, there were a total of 202 officers in the Customs and Excise Department (C&ED) who are specialised in preventing and detecting crimes of intellectual property rights infringement, involving an expenditure on salary provision of \$71 million. In 2013, the Department carried out 10 special operations every week on average. Details of the cases detected are as follows:

Number of cases (involving Internet crimes)	656 cases (162 cases)
Total value of articles seized (involving Internet crimes)	\$49.40 million (\$2.48 million)
Number of successful prosecutions (involving Internet crimes) ¹	390 cases (107 cases)
Penalties imposed by the Court	Fine : \$500 – \$80,000 Community service order : 70 hours – 240 hours Imprisonment : 7 days – 8 months

¹ Concluded in 2013

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 years. C&ED is now tackling the latest situation with three “Anti-Internet Piracy Teams”, with the aid of the “Electronic Crime Investigation Centre” and the “Lineament Monitoring System I+”

against Cyberlockers. C&ED will continue to maintain close liaison with other enforcement agencies, the industries, local auction sites and intellectual property owners to tackle Internet and other computer crimes relating to the infringement of intellectual property rights.

CONTROLLING OFFICER'S REPLY**(Question Serial No. 1152)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not Specified

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No. 12):

The Customs and Excise Department (C&ED) will continue to strengthen enforcement actions and enforce the amended Trade Descriptions Ordinance during this year to combat false trade descriptions and unfair trade practices in respect of both goods and services. Regarding this, would the Administration advise the Committee on the following:

1. What is the number of complaints received by C&ED since the implementation of the amended Trade Descriptions Ordinance? Please list out the breakdown figures by nature;
2. What investigation procedures are adopted by C&ED? What are the manpower resources deployed?

Asked by: Hon. IP LAU Suk-ye, Regina

Reply:

1. Since the implementation of the amended Trade Descriptions Ordinance (the Ordinance) on 19 July 2013 and up to 28 February 2014, the Customs and Excise Department (C&ED) received a total of 2 786 complaints, a breakdown of which is as follows-

Offence	Goods	Services	Total
False trade descriptions	1 422	341	1 763
Misleading omissions	335	143	478
Aggressive commercial practices	11	70	81
Bait advertising	72	35	107
Bait and switch	12	11	23
Wrongly accepting payment	190	77	267
Others#	42	25	67
Total	2 084	702	2 786

Including complaints referred to other departments / organisations for follow-up actions or those outside the scope of the Ordinance

2. In handling and investigating complaints, C&ED takes into account all relevant facts and evidence, and on the basis of a risk-based approach and the principle of effective resource deployment, decides the appropriate enforcement actions. In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work under the amended Ordinance. The total expenditure involved will be \$83.56 million.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2218)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 47):

The Administration indicated that the decrease in actual number of spot checks conducted in 2013 on weights and measures, toys and children's products safety as well as consumer goods safety was due to resources deployment for handling urgent tasks. Regarding this, would the Administration advise the Committee on the following:

1. What urgent tasks were carried out by the Administration?
2. How much resources did the Administration allocate to carry out those urgent tasks?

Asked by: Hon. KWOK, Dennis

Reply:

In 2013-14, the Customs and Excise Department redeployed 32 officers originally responsible for the enforcement work on weights and measures, toys and children's products safety as well as consumer goods safety to assist in the implementation of the export control on powdered formula for infants and the enforcement of the amended Trade Descriptions Ordinance.

CONTROLLING OFFICER'S REPLY**(Question Serial No. 4143)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No.152):

In the past 5 years, 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 these articles? How many persons were involved?

Asked by: Hon. KWOK Ka-ki

Reply:

Details of the cases of infringement on the Internet detected by the Customs and Excise Department in the past 5 years are as follows:

	2009	2010	2011	2012	2013
Number of cases	55	63	65	64	162
Number of persons arrested	60	67	74	79	190
Total value of goods seized (the goods involved were mostly clothes, watches and accessories)	\$0.91 million	\$1.05 million	\$1.17 million	\$1 million	\$2.48 million

CONTROLLING OFFICER'S REPLY

(Question Serial No. 4144)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 154):

What are the reasons for the significant increase in the figure of intellectual property rights investigations in 2013 when compared with 2012? What were the number of staff involved in such investigations and the amount of expenditures in 2013?

Asked by: Hon. KWOK Ka-ki

Reply:

The significant increase in the figure of intellectual property rights investigations in 2013-14 was mainly due to the implementation of the Audit Commission's recommendation. The Department expedited efforts to complete the administrative formality of closure of outstanding cases which no longer warrant further investigation. A total of 6 921 of such cases were closed in 2013, and included in the yearly figure.

In 2013-14, there were 202 officers in the Customs and Excise Department who were specialised in preventing and detecting crimes of intellectual property rights infringement, involving an expenditure on salary provision of \$71 million.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)251

(Question Serial No.: 4146)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question: (Member Question No.: 156)

What are the estimates of the Customs and Excise Department (C&ED) for upgrading the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights in 2014-2015?

Asked by: Hon. KWOK Ka-ki

Reply:

In the past few years, the Department has redeployed internal resources to set up three dedicated "Anti-Internet Piracy Teams", the "Electronic Crime Investigation Centre" to enhance the capabilities of frontline officers in investigation and evidence collection, and recently developed the "Lineament Monitoring System I+" against Cyberlockers to tackle infringing activities on the Internet. The expenditure on system maintenance in 2014-15 is \$0.936 million.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)252

(Question Serial No. 4148)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not Specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 158):

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 2014-2015?

Asked by: Hon. KWOK Ka-ki

Reply:

The Customs and Excise Department (C&ED) enhances the awareness of the public of intellectual property rights and consumer interests through various channel, including seminars or talks organised in collaboration with the Intellectual Property Department, the Consumer Council, industry associations and major chambers of commerce from time to time. With the commencement of the amended Trade Descriptions Ordinance in July 2013, C&ED launched extensive publicity and education activities in the second half of 2013. Such work will continue in 2014-15. Since the work in this regard is taken up by officers in addition to their own inspection, enforcement and other backend duties, it is difficult to separately quantify the expenditure involved.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 4150)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No.: 160):

What were 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 2013? 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 2014-2015?

Asked by: Hon. KWOK Ka-ki

Reply:

In 2013-14, the Customs and Excise Department (C&ED) deployed 147 officers to enforce the amended Trade Descriptions Ordinance and the expenditure involved was \$68.71 million. In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work in this regard and the total expenditure involved will be \$83.56 million.

The Commerce and Economic Development Bureau handles the work through existing manpower. The expenditure involved has been included in the overall estimate of the Bureau and could not be quantified separately.

CONTROLLING OFFICER'S REPLY

CEDB(CIT)254

(Question Serial No. 4152)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No. 162):

In the past 5 years, what were the actual expenditures, numbers of staff and numbers of prosecution involved in the investigation of false statement of health products by the Customs and Excise Department (C&ED)? In 2014-15, what will be the actual expenditure and number of staff involved in the investigation of false statement of health products by C&ED?

Asked by: Hon. KWOK Ka-ki

Reply:

In the past 5 years, a total of 21 cases relating to health products in contravention of the Trade Descriptions Ordinance were detected by the Customs and Excise Department (C&ED), with 18 companies and 3 persons prosecuted. In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work under the amended Trade Descriptions Ordinance. The total expenditure involved will be \$83.56 million. Given the wide coverage of the Trade Descriptions Ordinance, it is difficult to separately quantify the expenditure involved according to categories of goods.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0799)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development

This question originates from:

Question (Member Question No. 66):

Regarding the enforcement actions against false trade descriptions, would the Customs & Excise Department inform this Committee of:

1. The number of cases of false trade descriptions and unfair trade practices detected in 2013-14.
2. In the Matters Requiring Special Attention in 2014-15, it is mentioned that the Department will strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. What are the details as well as the expenditure and manpower involved?

Asked by: Hon. KWOK Wai-keung

Reply:

1. In 2013, the numbers of cases involving false trade descriptions and unfair trade practices investigated by the Customs and Excise Department (C&ED) were 594 and 239 respectively, totalling 833.
2. In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work under the amended Trade Descriptions Ordinance. The total expenditure involved will be \$83.56 million. Apart from continuing to improve the three-pronged strategy of prevention, education and enforcement, C&ED will flexibly deploy resources, and focus on and inspect sales of products of relatively higher concern and traders under repeated complaints from consumers.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 5427)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 54):

In 2014-15, the Customs and Excise Department (C&ED) will continue to strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. Would the Administration inform this Committee of the total number of companies prosecuted for suspected contravention of the amended Trade Descriptions Ordinance since its implementation, and among which the number of companies convicted and the amount of fines involved? What is the estimated expenditure of C&ED for strengthening public education in the future?

Asked by: Hon. LAM Tai-fai

Reply:

Since the implementation of the amended Trade Descriptions Ordinance (the Ordinance) on 19 July 2013 and up to 28 February 2014, the Customs and Excise Department (C&ED) initiated prosecution in 13 cases, among which 6 have concluded. Among the 5 convicted cases, the Court imposed fines ranging from \$10,000 to \$110,000 on 4 companies involved, and sentenced a person to a one-month imprisonment. The value of goods forfeited is over \$120,000.

With the commencement of the amended Trade Descriptions Ordinance in July 2013, C&ED launched extensive publicity and education activities in the second half of 2013 (such as organising seminars or talks in collaboration with industry associations and major chambers of commerce). Such work will continue in 2014-15. Since the work in this regard is taken up by officers in addition to their own inspection, enforcement and other backend duties, it is difficult to separately quantify the expenditure involved.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 4354)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement, (5) Trade Controls
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No.: 1.22):

With regard to the enforcement work under the “Kimberley Process Certification Scheme for rough diamonds”, please advise on:

- (a) the figures on enforcement operation, prosecution and conviction carried out by the Customs and Excise Department (C&ED) under the scheme in the past 5 years; and
- (b) the quantities, places of origin, sizes and categories of the rough diamonds involved in the said enforcement and prosecution.

Asked by: Hon. LEUNG, Kenneth

Reply:

- (a) In the past 5 years, C&ED carried out 4 476 inspections under the “Kimberley Process Certification Scheme for rough diamonds”, but no prosecution was required.
- (b) The rough diamonds involved mainly originated from places such as South Africa, Angola, Tanzania and Russia, with quantities ranging from several to tens of thousands of carats.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 3294)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 87):

The Customs and Excise Department often requests Internet service providers to provide information on their clients to facilitate the detection of online sale of infringing goods and other crimes. However, a unified code of practice for information collection has never been introduced by the Department. Will the Administration conduct any studies to formulate the relevant code of practice with a view to promoting cooperation with the industry? What are the details of the plans as well as the manpower and estimates involved? If no, what are the reasons?

Asked by: Hon. MOK, Charles Peter

Reply:

C&ED only requests Internet service providers to provide information on their clients when strictly necessary for the performance of duties in accordance with the relevant laws and established procedures and guidelines. Such requests are mainly related to crime prevention and detection as well as law enforcement.

Since investigations involving Internet service providers are largely related to online infringements of intellectual property rights, such requests are mostly made by the Inspectorate officer in charge of the relevant case in the Intellectual Property Investigation Bureau. If it is confirmed that the information posted by the users constitutes an infringement of intellectual property rights, officer at the rank of Assistant Superintendent in the Bureau may, upon examination of the case, request Internet service providers to remove such infringing information.

The Department will maintain liaison with the industry to ensure that the existing mechanism will continue to function smoothly. The related work is absorbed by the existing establishment and provision of the Department. It is difficult to quantify such manpower and expenditure separately.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 6249)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:
Question (Member Question No.: 93):

It is learnt that from February 2013 to January 2014, the Customs and Excise Department (C&ED) made to internet service providers 873 requests for obtaining users' information and 391 requests for removing users' information. Would the Administration advise this Committee on:

- (1) The respective formations in C&ED that made the said requests, and the distribution and rank of the officers handling the said requests in each formation; and
- (2) With the assistance of the information obtained / removed at the request of C&ED, the total number of cases that C&ED handled, the respective numbers of persons prosecuted and arrested, as well as the expenditure involved in each operation.

Asked by: Hon. MOK, Charles Peter

Reply:

1. C&ED only requests Internet service providers to provide information on their clients when strictly necessary for the performance of duties in accordance with the relevant laws and established procedures and guidelines. Such requests are mainly related to crime prevention and detection as well as law enforcement.

Since investigations involving Internet service providers are largely related to online infringements of intellectual property rights, such requests are mostly made by the Inspectorate officer in charge of the relevant case in the Intellectual Property Investigation Bureau. If it is confirmed that the information posted by the users constitutes an infringement of intellectual property rights, officer at the rank of Assistant Superintendent in the Bureau may, upon examination of the case, request Internet service providers to remove such infringing information.

2. With the help of the information obtained from Internet service providers, the Intellectual Property Investigation Bureau detected a total of 182 cases from February 2013 to January 2014, with 209 persons arrested and 147 of them prosecuted. However, the Department does not have any breakdown of expenditure by individual operations.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 5411)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question: (Member Question No.: 68)

With regard to the enforcement against persons and syndicates suspected of committing offences relating to infringement of intellectual property rights (IPR), will the Customs and Excise Department (C&ED) advise this Committee on:

1. The number of IPR infringement cases detected by C&ED in 2013-14 by product type;
2. The top five types of IPR infringing articles seized by C&ED in 2013-14 by number of seizures; and
3. As to strengthening enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services, which is mentioned in the matters requiring attention in 2014-15, what are the details? What will be the expenditure and manpower involved?

Asked by: Hon. WONG Kwok-kin

Reply:

1. & 2. In 2013, C&ED detected 656 cases of intellectual property rights infringement. Details of the top five types of infringing articles seized are listed as follows:

Articles seized	Number of cases*
Electronic products, electrical appliances, computers and parts	266
Garments and accessories	176
Leather products	155
Watches and parts	108
Pirated optical discs	44

*C&ED may seize more than one type of articles in a single case. The number of cases in the list is therefore larger than that of detected cases.

3. In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work under the amended Trade Descriptions Ordinance. The total

expenditure involved will be \$83.56 million. Apart from continuing to improve the three-pronged strategy prevention, education and enforcement, C&ED will flexibly deploy resources, and focus on and inspect sales of products of relatively higher concern and traders under repeated complaints from consumers.

CONTROLLING OFFICER'S REPLY

(Question Serial No.: 0997)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (3) Intellectual Property Rights and Consumer Protection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 31):

The Customs and Excise Department (C&ED) indicated that it would promote public and traders' awareness of intellectual property rights and consumer protection legislation, including the amended Trade Descriptions Ordinance, through publicity and education programmes; and strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services.

Regarding the work involved, what is the amount of resources to be deployed by the Department in conducting actual publicity and education work, especially that relating to the relevant content of the newly amended Trade Descriptions Ordinance, which employers of enterprises and the public might need time to understand?

In respect of strengthening enforcement actions, what actions will C&ED take? Does it entail the addition of 40 officers? What are the distribution of ranks and the expenditures involved?

Asked by: Hon. WONG Ting-kwong

Reply:

The Customs and Excise Department (C&ED) enhances the awareness of the public of intellectual property rights and consumer interests through various channels, including seminars or talks in collaboration with the Intellectual Property Department, the Consumer Council, industry associations and major Chambers of Commerce from time to time. With the commencement of the amended Trade Descriptions Ordinance in July 2013, C&ED launched extensive publicity and education activities in the second half of 2013. Such work will continue in 2014-15. Since the work in this regard is taken up by officers in addition to their own inspection, enforcement and other backend duties, it is difficult to separately quantify the expenditure involved.

In 2014-15, C&ED will deploy 187 officers (including 40 newly created posts) to carry out the enforcement work under the amended Trade Descriptions Ordinance. Their ranks mainly range from Assistant Trade Control Officers to Principal Trade Control Officers. The total expenditure involved will be \$83.56 million. Apart from continuing to improve the three-pronged strategy of prevention, education and enforcement, C&ED will flexibly deploy resources, and focus on and

inspect sales of products of relatively higher concern and traders under repeated complaints from consumers.

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2196)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Commerce and Economic Development
This question originates from:

Question (Member Question No. 39):

Regarding the work to improve clearance services to facilitate efficient cargo flow across the boundary, please advise this Committee on the following:

1. The average clearance time for cross-boundary cargo in the past 3 years (2011-12, 2012-13 and 2013-14);
2. The latest update on the promotion of the Road Cargo System;
3. The latest progress of the test for the feasibility of the harmonization of the Hong Kong Intermodal Transshipment Facilitation Scheme and the Mainland Cross-boundary Express Clearance System, and when it can be fully realized;
4. The latest progress of the implementation of the Hong Kong Authorized Economic Operator Programme;
5. The latest progress of the study carried out together with the Mainland on the establishment of a third-party platform to facilitate cargo flow across the boundary; and
6. The details and estimates in respect of the work to facilitate cargo flow across the boundary in 2014-15 and whether new measures will be introduced.

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

1. According to current service standards, cross-boundary vehicles not selected for inspection can be cleared within 60 seconds. The Customs and Excise Department (C&ED) fully met this target in the past 3 years.
2. The Road Cargo System (ROCARS) has been operating smoothly since its full implementation in November 2011. C&ED has been liaising with industry users, to ensure the provision of efficient and reliable services for the trading and logistics industries.
3. The harmonisation enables seamless cross-boundary clearance of transshipment cargoes through the use of a single electronic lock under the principle of "separate monitoring with one lock across the boundary". The testing progresses smoothly. Upon completion, Hong Kong will

consider the result and discuss the long-term implementation plan with the Mainland.

4. There has been further progress since the Hong Kong Authorised Economic Operator (HKAEO) Programme was given additional resources for promotion in April 2013. Apart from an increasing number of applications and accredited companies, C&ED entered into mutual recognition arrangements (MRAs) with the customs administrations of the Mainland, India and Korea in October and November 2013 and February 2014 respectively. The MRAs allow accredited enterprises to enjoy further customs facilitation such as prioritised clearance and reduced examination of their goods on the Mainland and overseas.
5. The Hong Kong and Mainland Customs have already adopted the same data model developed by the World Customs Organisation to facilitate synchronised submission of cargo data by the industries, the use of which has been smooth. As for the need for a new “third-party platform”, the Mainland and HKSAR will continue to monitor the actual demand of the industries.
6. C&ED will continue to upgrade the functions of ROCARS in order to provide stable and reliable services for shippers and truck drivers; expedite the testing for the feasibility of the harmonisation of the Hong Kong’s Intermodal Transshipment Facilitation Scheme and the Mainland’s Cross-boundary Express Clearance System; and further promote the HKAEO Programme, encouraging companies’ participation and seeking MRAs with different overseas economies. These duties are part of the overall work of C&ED. It is difficult to quantify such expenditure separately.

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)009****(Question Serial No. 2874)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Budget Speech Paragraph 128 Page 36

Question (Member Question No. 23):

Please advise this Committee on the following:

- (a) What were the respective sales volumes of cigarettes in Hong Kong in the past 5 years?
 (b) What were the respective amounts of illicit cigarettes seized in the past 5 years?

Asked by: Hon. CHAN Kam-lamReply:

- (a) The Customs and Excise Department (C&ED) does not have any sales data on tobacco products. With reference to the records kept by C&ED, the numbers of duty-paid cigarettes in Hong Kong in the past five years are as follows -

	2009	2010	2011	2012	2013
Duty-paid Cigarettes (million sticks)	2 887	3 137	2 877	2 914	3 135

- (b) In the past five years, the numbers of illicit cigarettes seized by C&ED from local illegal activities are as follows:

	2009	2010	2011	2012	2013
Illicit Cigarettes ('000 sticks)	58 000	47 000	71 000	67 000	79 000

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)010

(Question Serial No. 2216)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No. 36):

In 2013, the number of persons compounded for offences relating to illicit cigarettes has reached a rather high level of 9 162, representing a significant increase as compared to the figure in 2012. In this regard, would the Administration advise this Committee on the following:

1. What were the "costs" for compounding offences?
2. Among the 9 162 persons compounded for offences, how many of them were repeat offenders? If any, what were the reasons for compounding their offences?
3. Does the Administration have any plans to combat crimes relating to illicit cigarettes? If yes, what are the details? If no, what are the reasons?

Asked by: Hon. KWOK, Dennis

Reply:

1. Incoming passengers who fail to declare or make a false / incomplete declaration to a Customs officer on the quantity of dutiable goods in their possession which are in excess of the duty-free concessions are liable to prosecution for contravening the Dutiable Commodities Ordinance. However, the Ordinance allows that certain offending passengers may choose to pay five times the duty payable and an additional penalty of \$2,000. This arrangement is called "compounding the offence" in short.
2. In 2013, among the 9 162 persons involved, 934 were repeat offenders. Since the dutiable value of the goods carried by these persons did not exceed \$10,000, the Customs and Excise Department (C&ED) decided to handle the cases by compounding the offences having regard to their past records and the situation at scene.
3. C&ED has all along been committed to combating illicit cigarette activities, especially stepping up enforcement actions at source, coupled with interception along railway stations to prevent smuggling of illicit cigarettes into Hong Kong. In the past two years, C&ED set up a dedicated team comprising 26 officers to conduct intelligence analysis and plan enforcement operations on telephone ordering of illicit cigarettes activities. C&ED will also conduct raiding operations in the urban area with a view to suppressing the distribution, storage and peddling of illicit cigarettes.

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)011****(Question Serial No. 2749)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 151

Question (Member Question No. 53):

During 2014-15, the Customs and Excise Department (C&ED) will continue to strengthen enforcement actions against illicit cigarette activities, especially in respect of cross-boundary smuggling and telephone-order peddling, as well as strengthen regional co-operation with other Customs administrations in combating smuggling of illicit cigarettes. As the Financial Secretary has announced an increase in tobacco duty in the Budget this year, will C&ED step up efforts to combat illicit cigarette activities in 2014-15? What will be the estimated expenditure involved? Please list out C&ED's estimated expenditure in combating illicit cigarette activities and the number of illicit cigarettes seized every year since the Government had announced to increase the tobacco duty by 50% in 2009-10.

Asked by: Hon. LAM Tai-fai

Reply:

In view of the proposed increase in tobacco duty in the 2014-15 Budget, the Customs and Excise Department (C&ED) has deployed additional manpower to closely monitor the situation at various boundary control points and at street level. So far, there is no sign of increase in illicit cigarette activities. In the past two years, C&ED set up a dedicated team comprising 26 officers to combat telephone ordering of illicit cigarettes through intelligence analysis and enforcement operations. The number of complaints in 2013 decreased by 37% when compared with the figure for the previous year. C&ED will continue to step up enforcement actions against illicit cigarette activities at source, coupled with interception along railway stations in order to prevent smuggling of illicit cigarettes into Hong Kong. C&ED will also conduct raiding operations in the urban area with a view to suppressing the distribution, storage and peddling of illicit cigarettes.

The expenditure in respect of the relevant work in the past five financial years and in 2014-15 is as follows -

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Expenditure (\$ million)	9.91	10	10.63	15.92	20.31	20.31 (Estimate)

The amounts of illicit cigarettes seized by C&ED in the past five years are as follows -

	2009	2010	2011	2012	2013
Amount of illicit cigarettes (million sticks)	58	47	71	67	79

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)012****(Question Serial No. 3241)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 151

Question (Member Question No. 62):

During 2014-15, the Customs and Excise Department will strengthen enforcement actions against illicit cigarette activities, especially in respect of cross-boundary smuggling and telephone-order peddling. What will be the manpower and resources involved? What is the situation like when compared with the past three years? Are there any differences in terms of the frequency and mode of the anti-illicit cigarette actions?

Asked by: Hon. LEE Wai-king, Starry

Reply:

There is an Anti-Illicit-Cigarette Investigation Division under the Customs and Excise Department (C&ED) with an establishment of 61 officers, including the Telephone Order Task Unit comprising 26 officers. In 2013, C&ED detected 25 major cases of smuggling and concealment of illicit cigarettes with a seizure of 39.3 million sticks of illicit cigarettes. C&ED also detected 195 cases of telephone ordering of illicit cigarettes with a seizure of 2 million sticks of illicit cigarettes. The number of complaints in 2013 decreased by 37% when compared with the figure for the previous year.

The expenditure in respect of actions carried out by C&ED against illicit cigarettes in the past three financial years and in 2014-15 is as follows -

	2011-12	2012-13	2013-14	2014-15
Expenditure (\$ million)	10.63	15.92	20.31	20.31 (Estimate)

The amounts of illicit cigarettes seized by C&ED in the past three years are as follows -

	2011	2012	2013
Amount of illicit cigarettes (million sticks)	71	67	79

In 2014-15, C&ED will keep up efforts to combat illicit cigarette activities, especially stepping up enforcement actions at source, coupled with interception along railway stations in order to prevent smuggling of illicit cigarettes into Hong Kong. C&ED will also conduct raiding operations in the urban area with a view to suppressing the distribution, storage and peddling of illicit cigarettes.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)013

(Question Serial No.: 1007)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (4) Revenue Protection and Collection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 150

Question (Member Question No.: 36):

The number of inspection and verification of imported vehicles for payment of First Registration Tax in 2013 is 1 206, representing a considerable increase as compared with the number of 478 in 2012. What are the reasons?

Asked by: Hon. WONG Ting-kwong

Reply:

In 2013, the Customs and Excise Department (C&ED) set up a dedicated team comprising seven officers to step up verification of the information, models and configuration of imported vehicles, with a view to curbing the problem of making false declaration of the taxable values of motor vehicles for assessment of First Registration Tax (FRT). Since the establishment of the dedicated team, the number of monthly spot checks on the applications for the first registration of motor vehicles has increased from 40 to 120. As a result, the number of inspection and verification of imported vehicles by C&ED for assessment of FRT increased substantially in 2013. Such arrangements have been effective. In 2013, the number of cases of such malpractice dropped from 63 in the previous year to 57.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)014

(Question Serial No. 2195)

Head: (31) Customs and Excise Department
Subhead: (-) Not specified
Programme: (4) Revenue Protection and Collection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 150

Question (Member Question No. 38):

In 2013, the number of cases conducted by Customs and Excise Department in respect of inspection and verification of imported vehicles for assessment of First Registration Tax was 1 206, which was almost 2.5 times in excess of that in 2012. As for 2014, it is estimated that the number will increase by 20% to 1 413 cases. What are the reasons for such increases and the additional resources required?

Asked by: Hon. YICK Chi-ming, Frankie

Reply:

In 2013, the Customs and Excise Department (C&ED) set up a dedicated team comprising seven officers to step up verification of the information, models and configuration of imported vehicles, with a view to curbing the problem of making false declaration of the taxable values of motor vehicles for assessment of First Registration Tax (FRT). The expenditure on salary provision for the dedicated team is approximately \$3.36 million per annum. Since the establishment of the dedicated team, the number of monthly spot checks on the applications for the first registration of motor vehicles has increased from 40 to 120. As a result, the number of inspection and verification of imported vehicles by C&ED for assessment of FRT increased substantially. Such arrangements have been effective. In 2013, the number of cases of such malpractice dropped from 63 in the previous year to 57.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)125

(Question Serial No.4112)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No.67):

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 2014-15?

Asked by: Hon. KWOK Ka-ki

Reply:

In 2014-15, the expenditure for the work under Programme (1) Control and Enforcement by the Customs and Excise Department (C&ED) will be approximately \$2,227.9 million, involving 4 496 posts. Since interception of dutiable goods at 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.

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)126****(Question Serial No. 4139)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 145

Question (Member Question No. 142):

What were the actual amounts of illicit cigarettes seized by the Customs and Excise Department (C&ED) at various control points, the numbers of staff and the actual expenditure involved in the past five years? What will be the number of staff to be deployed for combating illicit cigarette activities by C&ED and the actual expenditure in 2014-2015?

Asked by: Hon. KWOK Ka-ki

Reply:

Details of the cases of illicit cigarettes detected by the Customs and Excise Department (C&ED) at various control points in the past five years are as follows -

	2009	2010	2011	2012	2013
Number of compounding cases (Amount of illicit cigarettes involved)	5 503 (2.1 million sticks)	4 141 (1.5 million sticks)	6 633 (2.6 million sticks)	8 638 (3.2 million sticks)	9 162 (3.3 million sticks)
Number of smuggling activities through other cargo and passenger channels (Amount of illicit cigarettes involved)	1 179 (26.1 million sticks)	874 (28.5 million sticks)	1 375 (22.1 million sticks)	1 442 (29.9 million sticks)	1 227 (43.9 million sticks)

Since the work involved is part of the general duties of C&ED, it would be difficult to separately quantify the number of officers and the expenditure involved. In 2014-15, C&ED will dedicate 61 officers for combating illicit cigarette activities, involving an expenditure of approximately \$20.31 million.

CONTROLLING OFFICER'S REPLY**FSTB(Tsy)127****(Question Serial No. 4155)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 149

Question (Member Question No. 166):

What were 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? What are the estimated provision and the number of staff deployed for combating the sale of illicit cigarettes through telephone ordering by the Department in 2014-2015?

Asked by: Hon. KWOK Ka-ki

Reply:

Details of the cases of telephone ordering of illicit cigarettes detected by the Customs and Excise Department (C&ED) in the past five financial years are as follows -

	2009-10	2010-11	2011-12	2012-13	2013-14 [^]
Number of cases	85	69	40	134	195
Total number of illicit cigarettes seized (sticks)	0.87 million	0.47 million	0.21 million	3.4 million	2 million
Number of persons arrested	91	80	42	167	225

[^] As at 28 February 2014

C&ED has set up a Telephone Order Task Unit with an establishment of 26 officers for combating telephone ordering of illicit cigarettes. In 2014-15, C&ED will sustain its effort in this regard. The annual expenditure of the Unit is approximately \$8.67 million.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)128

(Question Serial No. 5703)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (4) Revenue Protection and Collection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 150

Question (Member Question No. 45):

1. The number of inspection and verification of imported vehicles for payment of First Registration Tax (FRT) carried out by the Customs and Excise Department (C&ED) in 2012 was over 400. However, the number increased substantially to over 1 200 in 2013 and the estimated number is expected to further increase to 1 413 in 2014. What are the reasons?
2. Under what circumstances will C&ED re-assess the provisional taxable value of imported vehicles? In the past two years, the number of cases of inspection and verification of imported vehicles for payment of FRT increased substantially whereas that of re-assessment of the provisional taxable value of imported vehicles decreased. What are the reasons?

Asked by: Hon. LEE Wai-king, Starry

Reply:

1. In 2013, C&ED set up a dedicated team comprising seven officers to step up verification of the information, models and configuration of imported vehicles, with a view to curbing the problem of making false declaration of the taxable values of motor vehicles for assessment of FRT. Since the establishment of the dedicated team, the number of monthly spot checks on applications for the first registration of motor vehicles has increased from 40 to 120. As a result, the number of inspection and verification of imported vehicles by C&ED for assessment of FRT increased substantially in 2013. Such arrangements have been effective. In 2013, the number of cases of such malpractice dropped from 63 in the previous year to 57.
2. According to the Motor Vehicles (First Registration Tax) Ordinance, all motor vehicle distributors (including agents and parallel importers) shall submit the suggested Published Retail Price (PRP) to C&ED seven days prior to the sale of motor vehicles for approval and calculation of 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 already approved by C&ED due to changes in market conditions or promotion strategies, distributors shall apply to C&ED for re-assessment of the provisional taxable value. Therefore, there is no direct correlation between the number of cases of inspection of imported vehicles and the number of cases of re-assessment of the provisional taxable value of imported vehicles.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)129

(Question Serial No. 5848)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 143

Question (Member Question No. 858):

It is mentioned in paragraph 146 of the 2013-14 Budget that “regarding indirect taxes, the annual revenue from tobacco duty and motor vehicles first registration tax is over \$4 billion and \$7 billion respectively. We notice that the main modus operandi of selling illicit cigarettes has recently changed from street peddling to telephone ordering, making law enforcement more difficult. On the other hand, some dealers provide false information on the selling prices of vehicles to evade motor vehicles first registration tax (FRT), which reduces our tax revenue. To protect the revenue from tobacco duty and motor vehicles first registration tax, the C&ED will deploy more resources to step up its efforts to combat tax evasion in the coming year.”

In the financial year of 2013-14, what was the number of operations taken by the Customs and Excise Department (C&ED) against street peddling and telephone ordering of illicit cigarettes? What was the average number of sticks of cigarettes involved?

In the financial year of 2013-14, what was the number of operations taken by C&ED against vehicles evading FRT? What was the average amount involved?

Asked by: Hon. LEUNG Kwok-hung

Reply:

Details of the cases of street peddling and telephone ordering of illicit cigarettes detected by the Customs and Excise Department (C&ED) in 2013 are as follows -

	Street peddling	Telephone ordering
Number of cases	529	195
Amount of illicit cigarettes (million sticks)	3.1	2
Average amount of illicit cigarettes involved per case (sticks)	5 900	10 000

In the same year, C&ED also detected 12 cases of evasion of motor vehicles first registration tax, involving a total of 205 vehicles. The average amount of tax involved per vehicle was approximately \$80,000.

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)130

(Question Serial No. 5520)

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Page 150

Question (Member Question No. 79):

As far as anti-illicit-cigarette enforcement is concerned, while the number of actual seizure cases and persons prosecuted for offences relating to illicit cigarettes in 2013 were lower than those in 2012, the actual number of cigarettes seized was obviously higher in 2013, with 83.296 million sticks seized in 2013 as against 69.435 million sticks seized in 2012. This might imply that offences relating to illicit cigarettes were larger in scale as well as more organized. In this connection, will the Administration inform this Committee whether it has formulated any plans to combat against this trend; if it has, please advise on the details, including a breakdown by the provision and manpower for anti-illicit-cigarette enforcement for 2009-2014 and a breakdown by the number of enforcement actions (successful cases and failed cases) for 2009-2013; and the number of joint enforcement actions with the Mainland Customs and other Customs administrations in the region for 2009-2013?

Asked by: Hon. SHEK Lai-him, Abraham

Reply:

The Customs and Excise Department (C&ED) has all along been committed to combating illicit cigarette activities, in particular stepping up the enforcement at source, coupled with interception along railway stations in order to prevent smuggling of illicit cigarettes into Hong Kong. In the past two years, C&ED has set up a dedicated team comprising 26 officers to combat telephone ordering of illicit cigarettes through intelligence analysis and planned enforcement operations. C&ED will also conduct raiding operations at street level with a view to suppressing the distribution, storage and peddling of illicit cigarettes. In 2013, in addition to the detection of 25 major cases of smuggling and concealment of illicit cigarettes with a seizure of 39.3 million sticks of illicit cigarettes, C&ED also detected 195 cases of telephone ordering with a seizure of two million sticks of illicit cigarettes. The number of complaints in 2013 decreased by 37% as compared with that in the previous year.

Details of the establishment and expenditure dedicated to combat illicit cigarette activities in the past five financial years and in 2014-15 are as follows -

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Establishment (No. of staff)	35	35	35	50	61	61
Expenditure (\$ million)	9.91	10	10.63	15.92	20.31	20.31 (Estimate)

The numbers of cases and joint operations in respect of illicit cigarette activities in the past five years are as follows -

	2009	2010	2011	2012	2013
No. of cases	2 825	2 062	2 442	2 264	1 970
No. of joint operations with the Mainland	25	12	21	15	15
No. of joint operations with other regions	29	257	277	193	130

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)131

(Question Serial No. 5396)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (4) Revenue Protection and Collection
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 149

Question (Member Question No. 52):

It is mentioned in the Aim that the Customs and Excise Department (C&ED) is responsible for combating smuggling and distribution of illicit cigarettes and taking enforcement actions against illicit fuel activities at all levels. In this regard, please advise this Committee on the following:

1. In the past two years, C&ED seized 83.296 million and 69.435 million sticks of cigarettes, as well as 10 000 and 48 000 litres of hydrocarbon oil respectively. Please list out the amount of duty evaded involved in the above seizures.
2. Apart from illicit cigarettes and illicit fuel, please also list out the categories and quantities of the top five types of goods confiscated in anti-smuggling operations in the past two years, as well as the amount of duty evaded.

Asked by: Hon. WONG Kwok-kin

Reply:

1. In 2012 and 2013, the amounts of duty involved in the illicit cigarettes seized by the Customs and Excise Department (C&ED) were \$120 million and \$140 million respectively, whereas those of the illicit hydrocarbon oil products were \$290,000 and \$60,000 respectively.
2. Since the items seized by C&ED fall under different categories involving different measurement units, it would be difficult to make comparison by quantity. In terms of number of cases, the articles seized were mainly tobacco products, liquor, food and beverages, dangerous drugs, as well as clothing and footwear. Regarding the smuggled liquor seized by C&ED, the amounts of duty involved in the past two years were \$1.5 million and \$930,000 respectively.

CONTROLLING OFFICER'S REPLY

FSTB(FS)078

(Question Serial No. 1006)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not Specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 144

Question (Member Question No. 34):

Are there any figures regarding the prosecution of Unlicensed Money Service Operators since the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance came into effect on 1 April 2012? If yes, what are the details?

Asked by: Hon. WONG Ting-kwong

Reply:

From 1 April 2012 when the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance came into effect to 28 February 2014, 14 operators were prosecuted by the Customs and Excise Department for unlicensed operation of money service.

CONTROLLING OFFICER'S REPLY**FSTB(FS)160****(Question Serial No.4142)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) Not specified

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)

Director of Bureau: Secretary for Financial Services and the Treasury

This question originates from: Estimates on Expenditure Volume 1 Pages 145-146

Question (Member Question No.149):

During the past 5 years, 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:

Details of the money laundering cases detected by the Customs and Excise Department in the past 5 years are as follows:

	2009-10	2010-11	2011-12	2012-13	2013-14 (as at 2 March 2014)
Number of cases	1	8	2	2	2
Number of persons arrested	1	24	20	8	3

CONTROLLING OFFICER'S REPLY

FSTB(FS)161

(Question Serial No. 5397)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not Specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Financial Services and the Treasury
This question originates from: Estimates on Expenditure Volume 1 Page 144

Question (Member Question No. 53):

The Customs and Excise Department (C&ED) would license and supervise Money Service Operators (MSOs) under the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (AMLO) and take enforcement action against unlicensed MSOs.

1. How many licensed MSOs are there at present? What is their business distribution?
2. What measures are adopted by C&ED to combat unlicensed MSOs? What are the details? What are the number of staff and expenditure involved in such enforcement actions?
3. How many licensed MSOs were found to be non-compliant and thus prosecuted by C&ED last year? And how many unlicensed MSOs were prosecuted by C&ED last year?
4. How many prosecution cases above involved the use of counterfeit notes or the operation of counterfeit notes business? What was the value of such notes involved?

Asked by: Hon. WONG Kwok-kin

Reply:

1. As at 11 March 2014, there are a total of 1,171 MSO licensed operators, of which 204 engaged in remittance business and 43 provided money exchange service while the remaining 924 engaged in both types of businesses.
2. Apart from adopting risk-based, intelligence-led and on-site inspection strategies, C&ED also encourages the public, through announcements of public videos and leaflets, to report illegal activities. In 2014-15, the Department will deploy 6 officers to combat unlicensed operation of money service, involving an expenditure of \$2.3 million. And resources will be deployed flexibly in response to the actual situation.
3. From 1 April 2012 when the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance came into effect to 28 February 2014, 14 operators were prosecuted by the Customs and Excise Department for unlicensed operation of money service.
4. The printing or use of counterfeit notes are not regulated by the AMLO.

CONTROLLING OFFICER'S REPLY

FHB(FE)162

(Question Serial No. 2300)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Food and Health
This question originates from: Estimates on Expenditure Volume 1 Page 143

Question (Member Question No. 38):

According to the information provided by the Customs and Excise Department to the media earlier on, there were 2 811 cases in which a fine was imposed for contravention of the Import and Export (General) (Amendment) Regulation 2013 (commonly known as the “restriction on the quantity of powdered formula”) between 1 March and 20 December 2013. The total fines amounted to approximately \$6.057 million. Please advise on the following:

- a. Regarding the cases in which a fine was imposed, how many of them ended up in default of fine payment? What was the total amount of fines in default?
- b. Regarding the cases of fines in default, which types of document of identity (for instance, the Hong Kong Permanent Identity Card, the Two-way Exit Permit, etc.) did the defendants hold?
- c. Normally, how does the Government handle cases of default of fine payment? What is the expenditure involved?

Asked by: Hon. FAN Kwok-wai, Gary

Reply:

- a) & b) The Judiciary does not keep a breakdown of the relevant information.
- c) A magistrate may issue a summons or a warrant of arrest to any person who fails to pay a fine imposed by the Court. However, it is difficult to separately quantify the expenditure in respect of handling such cases of default payment.

CONTROLLING OFFICER'S REPLY

FHB(FE)163

(Question Serial No.:2217)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (-) Not specified
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Food and Health

This question originates from: Estimates on Expenditure Volume 1 Page 143

Question (Member Question No.:37):

Regarding the export control on powdered formula, would the Administration advise the Committee on the following:

1. What is the number of persons prosecuted by the Administration for contravening the export control law?
2. How much resources has the Administration allocated to execute the export control law?

Asked by: Hon. KWOK, Dennis

Reply:

1. Since the implementation of export control on powdered formula for infants by the Government of the Special Administrative Region on 1 March 2013 and up to 28 February 2014, the Customs and Excise Department (C&ED) arrested a total of 5 092 persons departing Hong Kong at various control points. Among them, 3 604 were prosecuted.
2. To exercise the above export control, C&ED has deployed 238 civil servants and non-civil service contract staff to provide support at various control points, and will apply for additional resources in accordance with the existing mechanism and the needs.

CONTROLLING OFFICER'S REPLY

FHB(FE)164

(Question Serial No. 3214)

Head: (31) Customs and Excise Department
Subhead (No. & title): (-) Not specified
Programme: (1) Control and Enforcement
Controlling Officer: Commissioner of Customs and Excise (Clement CHEUNG)
Director of Bureau: Secretary for Food and Health
This question originates from: Estimates on Expenditure Volume 1 Page 143

Question (Member Question No. 24):

Since the implementation of export control on powdered formula in March 2013, 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 (C&ED) has deployed 238 civil servants and non-civil service contract staff to provide support at various control points, and will apply for additional resources in accordance with the existing mechanism and the needs.

As at 28 February 2014, C&ED detected a total of 5 058 cases in contravention of the relevant provision at various control points, resulting in the arrests of 5 092 persons departing Hong Kong and seizure of 39 019 kilograms of powdered formula. Among these cases, over 90% were detected at Lo Wu Control Point and Lok Ma Chau Spur Line Control Point. Besides, as at the same day, the Court imposed sentences in a total of 3 526 cases, of which 3 509 persons involved were imposed fines ranging from \$200 to \$27,000; 12 persons were imposed immediate custodial sentences ranging from 8 to 35 days; 45 persons were imposed sentences ranging from 7 to 40 days subject to suspended sentences ranging from 12 to 36 months; and a company was imposed a fine of \$80,000.