

**CONTROLLING OFFICER'S REPLY**

**SB192**

**(Question Serial No. 0429)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (000) Operational expenses  
Programme: (1) Control and Enforcement  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Security

Question:

How many declarations have been received by the Customs and Excise Department (C&ED) at various control points since the implementation of the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance (the Ordinance)? Please provide in table form the relevant figures and the amounts being declared.

Since the implementation of the Ordinance, has any traveller been prosecuted by C&ED for failing to make declaration in accordance with the Ordinance during spot checks? If yes, please provide the relevant figures.

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 5)

Reply:

The Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance (the Ordinance) has commenced operation since 16 July 2018. Under the Ordinance, a traveller who arrives in Hong Kong via a specified control point (Note) and is in possession of a large quantity of currency and bearer negotiable instruments (CBNIs) (i.e. the total value of which is more than HK\$120,000) must use the Red Channel under the Red and Green Channel System and make a written declaration on the CBNIs concerned to a Customs and Excise Department (C&ED) officer. A traveller who is about to leave Hong Kong, or who arrives in Hong Kong not via a specified control point, must disclose upon the request of a C&ED officer whether he or she is in possession of a large quantity of CBNIs and, if so, make a written declaration. For a large quantity of CBNIs imported or exported in a cargo consignment, an advance declaration must be made to C&ED through its online Currency and Bearer Negotiable Instruments Declaration System.

Persons in breach of the declaration or disclosure requirements under the Ordinance are liable to a maximum penalty of a fine of HK\$500,000 and imprisonment for 2 years.

Travellers who breach the relevant requirements for the first time and have not been previously convicted of money laundering or terrorist financing offences, and whose CBNIs are not reasonably suspected to be crime proceeds or terrorist property, may discharge their statutory liability by making a payment of HK\$2,000 in accordance with the Ordinance. Other cases are subject to criminal prosecution.

To assist travellers and relevant trades to comply with the new requirements, during the first three months after the commencement of the Ordinance, C&ED issued written warnings as appropriate to persons who breached the declaration or disclosure requirements under the Ordinance for the first time.

Since the commencement of the Ordinance up to 28 February 2019, the total number of declarations received by C&ED at various control points and the total value of CBNIs involved are as follows:

	Number of Declarations	Total Value of CBNIs
Declarations made by travellers	14 607	HK\$164.5 billion
Declarations made for cargoes	6 490	HK\$839.2 billion

In the first three months after the commencement of the Ordinance (i.e. 16 July to 15 October 2018), C&ED detected 20 non-compliance cases committed by travellers and issued written warnings to the travellers concerned. After those three months and up to 28 February 2019, C&ED detected 55 non-compliance cases committed by travellers, and the travellers concerned made a payment of HK\$2,000 in accordance with the Ordinance as mentioned above. Since the commencement of the Ordinance, no non-compliance cases committed by travellers necessitated criminal prosecution.

(Note): There are currently 15 specified control points under the Ordinance, namely Lo Wu Control Point, Hung Hom Station, Man Kam To Boundary Control Point, Sha Tau Kok Boundary Control Point, Hong Kong-Macau Ferry Terminal, China Ferry Terminal, Lok Ma Chau Boundary Control Point, Hong Kong International Airport, Tuen Mun Ferry Terminal, Shenzhen Bay Port Hong Kong Port Area, Lok Ma Chau Spur Line Control Point, Kai Tak Cruise Terminal, Ocean Terminal, West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link (other than the West Kowloon Station Mainland Port Area), and Hong Kong-Zhuhai-Macao Bridge Hong Kong Port.

- End -

**CONTROLLING OFFICER'S REPLY**

**SB193**

**(Question Serial No. 1405)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-)-

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

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

Question:

- (1) In the past year, how many illegal cases relating to “parallel trade” were detected by the Customs and Excise Department (C&ED) at boundary control points? How many cases were successfully prosecuted?
- (2) In the past year, how many smuggling cases were successfully detected by C&ED through co-operation with the law enforcement authorities of the Mainland and other administrations? How many cases were successfully prosecuted?

Asked by: Hon LAM Kin-fung, Jeffrey (LegCo internal reference no.: 5)

Reply:

- (1) C&ED and the Shenzhen Customs are fully committed to suppressing cross-boundary smuggling activities involving parallel traders. In the joint operations mounted in 2018, the Shenzhen Customs detected a total of 6 610 cases, involving 6 610 persons departing from Hong Kong. The total value of the goods involved, including skin care and cosmetic products, smartphones, laptop and tablet computers, daily necessities and food, etc., was approximately \$61.87 million. Meanwhile, C&ED detected a total of 40 cases, involving 40 persons entering Hong Kong and goods which were mainly dutiable cigarettes with a total value of approximately \$260,000.
- (2) C&ED has been closely monitoring the smuggling trends by gathering relevant intelligence, and actively collaborating with Mainland and overseas law enforcement agencies to combat cross-boundary smuggling activities. In 2018, C&ED co-operated with law enforcement agencies of the Mainland and other places to fight against smuggling activities on different fronts. For example, C&ED conducted a joint operation with the Mainland Customs between June and July, and seized 277 kilogrammes of suspected ivory (with a market value of approximately \$2.77 million).

In October, C&ED mounted another joint operation with the Australian Border Force to combat drug trafficking, during which a total of 18 cases were detected, seizing approximately 26 kilogrammes of suspected gamma-butyrolactone and approximately 4 kilogrammes of suspected Part 1 poisons with a market value of approximately HK\$500,000.

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**CONTROLLING OFFICER'S REPLY****SB194****(Question Serial No. 2693)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (002) AllowancesProgramme: Not specifiedControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic DevelopmentQuestion:

Regarding the Disciplined Services Quarters (DSQs) provided for officers of the Customs and Excise Department (C&ED), please tabulate the following information:

- (1) In the financial year 2018-19, (i) the number of C&ED officers provided with DSQs, and (ii) the percentage thereof against the total number of C&ED officers.

(i) Number of C&ED officers provided with DSQs	(ii) Percentage against the total number of C&ED officers

- (2) In the financial year 2019-20, (i) the estimated number of C&ED officers to be provided with DSQs, and (ii) the percentage thereof against the total number of C&ED officers.

(i) Estimated number of C&ED officers to be provided with DSQs	(ii) Percentage against the total number of C&ED officers

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 115)

Reply:

It is the Government's policy to provide DSQs for married staff of disciplined services, subject to the availability of resources. C&ED understands the grave concerns of disciplined services staff on the shortfall of DSQs, and is committed to expediting the project progress of different DSQs so as to alleviate the shortfall.

- (1) As at 1 March 2019, (i) the number of C&ED officers allocated with DSQs, and (ii) the percentage thereof against the total number of eligible disciplined services officers in the Department are tabulated below:

(i) Number of C&ED officers provided with DSQs	(ii) Percentage against the total number of eligible C&ED officers
1 589	63.97%

- (2) C&ED's estimation of (i) the number of officers to be allocated with DSQs as at 31 March 2020, and (ii) the percentage thereof against the total number of eligible disciplined services officers in the Department are tabulated below:

(i) Estimated number of C&ED officers to be provided with DSQs	(ii) Percentage against the total number of eligible C&ED officers
1 691	70.96%

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**CONTROLLING OFFICER'S REPLY**

**SB472**

**(Question Serial No. 5786)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-)-

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

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

Question:

- 1) Concerning the requests for information under the Code on Access to Information (the Code) received by the Customs and Excise Department (C&ED) for which only some of the required information was provided, please set out in table form: (i) the content of the requests for which only some of the required information was provided; (ii) the reasons for providing some of the information only; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled

- 2) Concerning the requests for information under the Code received by C&ED for which the required information was not provided, please set out in table form: (i) the content of the requests refused; (ii) the reasons for refusal; and (iii) how the requests were eventually handled.

Year

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 171)

Reply:

- 1) Details of the requests for information under the Code received by C&ED in 2018 for which only some of the required information was provided are as follows:

(i) Content of the requests for which only some of the required information was provided	(ii) Reasons for providing some of the information only	(iii) How the requests were eventually handled
<p>There were 4 relevant cases. The requested information included details of enforcement actions taken by C&amp;ED, information on internal personnel matters of C&amp;ED, and internal guidelines and codes on performing duties.</p>	<p>In accordance with the guidelines in Part 2 of the Code, C&amp;ED has considered whether the public interest in disclosure of the information outweighs any harm or prejudice that could result.</p>	<p>After consideration, C&amp;ED provided the applicants with some of the information only in accordance with the relevant provisions stipulated in Part 2 of the Code. The applicants were also provided with the following information:</p> <ol style="list-style-type: none"> <li>(1) the reason for refusal to provide some of the information;</li> <li>(2) the method of seeking internal review by C&amp;ED if the applicant was not satisfied with the decision; and</li> <li>(3) the method of lodging a complaint to The Ombudsman.</li> </ol>

- 2) Details of the requests for information under the Code received by C&ED in 2018 for which the required information was not provided are as follows:

(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled
<p>There was 1 relevant case. The requested information involved cooperation matters between C&amp;ED and Customs organisations of other countries and regions.</p>	<p>In accordance with the guidelines in Part 2 of the Code, C&amp;ED has considered whether the public interest in disclosure of the information outweighs any harm or</p>	<p>After consideration, C&amp;ED refused to provide the applicant with the required information in accordance with the relevant provision</p>



(i) Content of the requests refused	(ii) Reasons for refusal	(iii) How the requests were eventually handled
	prejudice that could result.	<p>stipulated in Part 2 of the Code. The applicant was provided with the following information in the reply:</p> <ol style="list-style-type: none"> <li>(1) the reason for refusal to provide the required information;</li> <li>(2) the method of seeking internal review by C&amp;ED if the applicant was not satisfied with the decision; and</li> <li>(3) the method of lodging a complaint to The Ombudsman.</li> </ol>

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**CONTROLLING OFFICER'S REPLY**

**SB473**

**(Question Serial No. 7238)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-)-

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

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

Question:

1. Please provide the figures on the arrests made by the Customs and Excise Department (C&ED) in enforcing the Import and Export Ordinance at various control points in the past 5 years. What is the estimated provision earmarked by C&ED for enforcing the Ordinance in 2019-20?
2. Please set out in table form the quantities of the following items seized by C&ED in Hong Kong and the numbers of persons involved in the past 5 years.

		Narcotics	Firearms and ammunitions	Strategic commodities	Dutiable commodities	Articles infringing copyright	Articles infringing trade descriptions
2014-2015	Quantity						
	Number of persons involved						
2015-2016	Quantity						
	Number of persons involved						
2016-2017	Quantity						
	Number of persons involved						
2017-2018	Quantity						
	Number of persons involved						
2018-2019	Quantity						
	Number of persons involved						

3. What were the numbers of staff deployed by C&ED and the actual expenditures involved in combating parallel traders in the past 5 years? Will the Department allocate additional resources in combating parallel trade activities in 2019-20? If yes, what are the details and the estimated expenditure?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 105)

Reply:

1. In the past 5 years, a total of 22 381 persons were arrested by C&ED for contravention of the Import and Export Ordinance. The resources involved have been subsumed under the general operating expenditure. C&ED does not have a breakdown of the figures.
2. The items seized by C&ED were of various types and involved different measurement units. The details of the cases detected by C&ED in the past 5 years are as follows:

		Narcotics	Firearms and ammunitions	Strategic commodities	Dutiable commodities	Articles infringing copyright	Articles infringing trade descriptions
2014	Number of cases	797	81	8	19 483	60	1 076
	Number of persons arrested	442	21	0	12 003	87	752
2015	Number of cases	752	68	34	17 300	118	1 098
	Number of persons arrested	364	12	0	10 717	159	906
2016	Number of cases	762	55	72	15 319	124	975
	Number of persons arrested	328	8	4	8 824	158	749
2017	Number of cases	952	45	75	15 368	115	990
	Number of persons arrested	326	14	6	8 384	145	752
2018*	Number of cases	919	26	78	21 094	119	1 045
	Number of persons arrested	393	9	0	13 472	145	769

\* Figures for 2018 are subject to adjustment.

3. In 2019-20, C&ED will continue to work closely with Shenzhen Customs to combat parallel trading activities, including monitoring hotspots of such activities in order to gather intelligence to facilitate interception and enforcement actions by officers at boundary control points and other law enforcement agencies. The resources involved in the work above have been subsumed under the general operating expenditure. C&ED does not have a breakdown of the figures.

- End -

**CONTROLLING OFFICER'S REPLY****SB474****(Question Serial No. 7239)**Head: (31) Customs and Excise DepartmentSubhead (No. & title):Programme: (2) Anti-narcotics InvestigationControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for SecurityQuestion:

1. Please provide the numbers of cases relating to organised drug syndicates and individual drug offenders detected by the Customs and Excise Department (C&ED) and the numbers of persons arrested in the past 5 years.
2. Please provide the numbers of drug manufacturing workshops and distribution centres cracked down by C&ED within Hong Kong in the past 5 years.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 105)Reply:

1. The numbers of drug trafficking cases detected and persons arrested by the Customs and Excise Department (C&ED) in the past 5 years are as follows:

	2014	2015	2016	2017	2018
Number of cases detected	275	249	218	205	222
Number of persons arrested	276	233	219	193	235

2. The numbers of drug manufacturing workshops and distribution centres cracked down by C&ED within Hong Kong in the past 5 years are as follows:

	2014	2015	2016	2017	2018
Drug manufacturing workshops	-	1	2	5	5
Distribution centres	11	24	29	23	14

- End -

**CONTROLLING OFFICER'S REPLY**

**SB475**

**(Question Serial No. 6191)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (603) Plant, vehicles and equipment

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

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

Question:

What are the estimated expenditure and work plan for the new items of “replacement and enhancement of equipment for Automatic Vehicle Clearance Support System for Goods Vehicles at Lok Ma Chau Control Point, Man Kam To Control Point, Sha Tau Kok Control Point and Shenzhen Bay Control Point” and “replacement and enhancement of closed circuit television system at Customs Headquarters Building”? Why is the funding bid submitted to the Legislative Council (LegCo) for approval in the context of the Appropriation Bill 2019 instead of being separately submitted to LegCo Finance Committee for funding approval?

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 3009)

Reply:

The estimated expenditure and work plan for the related items are as follows:

- (1) Replacement and enhancement of equipment for Automatic Vehicle Clearance Support System for Goods Vehicles at Lok Ma Chau Control Point, Man Kam To Control Point, Sha Tau Kok Control Point and Shenzhen Bay Control Point

The current Automatic Vehicle Clearance Support System has operated for over 9 years at the aforesaid control points. It has started to age and affect the clearance efficiency for cross-boundary goods vehicles. Therefore, it is necessary to replace and upgrade the related equipment. The estimated expenditure for this item in 2019-20 is \$5 million, and the related work is expected to be completed in 2023-24 after the award of contract in 2019-20.

- (2) Replacement and enhancement of closed circuit television system at Customs Headquarters Building

The closed circuit television system of the Customs Headquarters Building has been in use for 9 years. The system's resolution is low and there are no spare parts available for its maintenance anymore. Therefore, replacement of the system is needed in order to strengthen surveillance effectiveness. The estimated expenditure for this item in 2019-20 is \$7.546 million, and the related work is expected to be completed in 2020-21 after the award of contract in 2019-20.

It is not a new arrangement to include in the draft Estimates funding proposals for creating commitments or increasing expenditure ceilings for approved commitment items under the General Revenue Account for scrutiny and approval by the Legislative Council in the context of the Appropriation Bill. The Government explained the relevant arrangements to the Finance Committee in early 2015. We have included the necessary provision for this proposal under the respective head and sub-heads of expenditure for members' consideration.

- End -

**CONTROLLING OFFICER'S REPLY****SB476****(Question Serial No. 4074)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-)-Programme: Not specifiedControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic DevelopmentQuestion:

In 2019-20, there will be an increase of 186 non-directorate posts in the Customs and Excise Department (C&ED). With regard to manpower planning, will the Government please provide the following information:

- (a) the numbers of posts to be deleted and created by the Department by rank and function; and
- (b) the establishment, strength, staff wastage and number of retirees of each rank by programme in 2018-19 and the estimated figures of such in 2019-20.

Asked by: Hon POON Siu-ping (LegCo internal reference no.: 50)Reply:

- (a) In 2019-20, C&ED will have a net increase of 186 posts. The new posts are mainly created for strengthening the law enforcement capability of C&ED against unfair trade practices, meeting the growing demand for information technology related services, strengthening the regulation of money service operators, and providing additional manpower to meet operational needs at the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link and to perform other supporting duties, etc. The details of the posts are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Senior Inspector of Customs and Excise	5	-
Inspector of Customs and Excise	13	-3
Chief Customs Officer	15	-

Rank	Number	
	Posts to be created	Posts to be deleted
Senior Customs Officer	89	-
Customs Officer	42	-21
Principal Trade Controls Officer	1	-
Chief Trade Controls Officer	2	-
Senior Trade Controls Officer	5	-
Trade Controls Officer	6	-
Assistant Trade Controls Officer	16	-
Executive Officer II	1	-
Confidential Assistant	1	-
Clerical Officer	1	-
Assistant Clerical Officer	1	-
Clerical Assistant	2	-
Special Driver	2	-
Motor Driver	3	-
Analyst / Programmer II	3	-
Senior Computer Operator	2	-
<b>Sub-total:</b>	<b>210</b>	<b>-24</b>
<b>Posts to be created</b>	<b>210</b>	
<b>Posts to be deleted</b>	<b>-24</b>	
<b>Net increase of posts</b>	<b>186</b>	

(b) The establishment of C&ED in 2018-19 and the estimated establishment of C&ED in 2019-20 are as follows:

Financial year	Programme (1)	Programme (2)	Programme (3)	Programme (4)	Programme (5)	Total
2018-19	5 834	383	538	290	342	<b>7 387</b>
2019-20	5 978	383	578	292	342	<b>7 573</b>

The establishment of C&ED and the strength of each rank in 2018-19 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)
		Statistical Officer II	2 (2)



<b>Rank</b>	<b>Establishment (Strength*)</b>
Assistant Commissioner of Customs and Excise	3 (3)
Administrative Officer Staff Grade C	1 (0)
Senior Principal Trade Controls Officer	1 (1)
Chief Superintendent of Customs and Excise	2 (2)
Senior Superintendent of Customs and Excise	18 (19)
Superintendent of Customs and Excise	37 (26)
Assistant Superintendent of Customs and Excise	87 (73)
Senior Inspector of Customs and Excise	367 (334)
Inspector of Customs and Excise	602 (624)
Chief Customs Officer	444 (392)
Senior Customs Officer	1 504 (1 043)
Customs Officer	3 167 (3 370)
Principal Trade Controls Officer	6 (4)
Chief Trade Controls Officer	24 (21)
Senior Trade Controls Officer	79 (62)
Trade Controls Officer	188 (166)

<b>Rank</b>	<b>Establishment (Strength*)</b>
Armourer I	1 (1)
Armourer III	1 (1)
Senior Systems Manager	2 (2)
Systems Manager	6 (4)
Analyst / Programmer I	20 (17)
Analyst / Programmer II	9 (8)
Assistant Computer Operation Manager	1 (1)
Senior Computer Operator	1 (1)
Computer Operator I	11 (10)
Computer Operator II	9 (10)
Senior Confidential Assistant	1 (1)
Confidential Assistant	7 (7)
Senior Clerical Officer	7 (7)
Clerical Officer	32 (36)
Assistant Clerical Officer	140 (128)
Clerical Assistant	104 (96)
Office Assistant	18 (15)

<i>Rank</i>	<i>Establishment (Strength*)</i>	<i>Rank</i>	<i>Establishment (Strength*)</i>
Assistant Trade Controls Officer	183 ( 211 )	Chief Supplies Officer	1 ( 1 )
Chief Executive Officer	1 ( 1 )	Senior Supplies Officer	1 ( 0 )
Senior Executive Officer	4 ( 4 )	Supplies Officer	4 ( 4 )
Executive Officer I	21 ( 12 )	Assistant Supplies Officer	4 ( 4 )
Executive Officer II	4 ( 11 )	Senior Supplies Supervisor	1 ( 1 )
Senior Treasury Accountant	1 ( 1 )	Supplies Supervisor I	11 ( 9 )
Treasury Accountant	4 ( 4 )	Supplies Supervisor II	25 ( 27 )
Senior Accounting Officer	1 ( 1 )	Supplies Assistant	11 ( 11 )
Accounting Officer I	6 ( 6 )	Special Driver	36 ( 25 )
Accounting Officer II	2 ( 2 )	Motor Driver	67 ( 67 )
Senior Training Officer	1 ( 1 )	Workman II	23 ( 22 )
Training Officer I	1 ( 1 )	Cook	1 ( 1 )
Senior Official Languages Officer	1 ( 1 )	Leisure Services Manager	1 ( 2 )
Official Languages Officer I	3 ( 3 )	Assistant Leisure Services Manager II	1 ( 1 )
Official Languages Officer II	15 ( 15 )	Management Services Officer I	1 ( 1 )
Calligraphist	1 ( 1 )	Senior Launch Master	3 ( 3 )
Senior Personal Secretary	1 ( 1 )	Launch Assistant	6 ( 5 )
Personal Secretary I	6 ( 5 )	Special Photographer I	1 ( 0 )
Personal Secretary II	13 ( 15 )	Special Photographer II	3 ( 0 )
Senior Typist	1 ( 1 )	<b>Total</b>	<b>7 387 ( 6 982 )</b>
Typist	7 ( 7 )		
Senior Divisional Occupational Safety Officer	1 ( 1 )		
Transport Services Officer I	1 ( 1 )		

\* The strength as at 31 January 2019, including officers on pre-retirement leave.

The strength of each rank in 2019-20 cannot be affirmed at the moment due to various factors like resignation and early retirement. The estimated establishment of each rank is listed below:

<i>Rank</i>	<i>Establishment</i>
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 Office	1
Chief Superintendent of Customs and Excise	2
Senior Superintendent of Customs and Excise	18
Superintendent of Customs and Excise	37
Assistant Superintendent of Customs and Excise	87
Senior Inspector of Customs and Excise	372
Inspector of Customs and Excise	612
Chief Customs Officer	459
Senior Customs Officer	1 593
Customs Officer	3 188
Principal Trade Controls Officer	7
Chief Trade Controls Officer	26
Senior Trade Controls Officer	84
Trade Controls Officer	194
Assistant Trade Controls Officer	199
Chief Executive Officer	1
Senior Executive Officer	4
Executive Officer I	21
Executive Officer II	5
Senior Treasury Accountant	1
Treasury Accountant	4
Senior Accounting Officer	1

<i>Rank</i>	<i>Establishment</i>
Statistician	1
Statistical Officer I	2
Statistical Officer II	2
Armourer I	1
Armourer III	1
Senior Systems Manager	2
Systems Manager	6
Analyst / Programmer I	20
Analyst / Programmer II	12
Assistant Computer Operation Manager	1
Senior Computer Operator	3
Computer Operator I	11
Computer Operator II	9
Senior Confidential Assistant	1
Confidential Assistant	8
Senior Clerical Officer	7
Clerical Officer	33
Assistant Clerical Officer	141
Clerical Assistant	106
Office Assistant	18
Chief Supplies Officer	1
Senior Supplies Officer	1
Supplies Officer	4
Assistant Supplies Officer	4
Senior Supplies Supervisor	1
Supplies Supervisor I	11
Supplies Supervisor II	25
Supplies Assistant	11

<i>Rank</i>	<i>Establishment</i>
Accounting Officer I	6
Accounting Officer II	2
Senior Training Officer	1
Training Officer I	1
Senior Official Languages Officer	1
Official Languages Officer I	3
Official Languages Officer II	15
Calligraphist	1
Senior Personal Secretary	1
Personal Secretary I	6
Personal Secretary II	13
Senior Typist	1
Typist	7
Senior Divisional Occupational Safety Officer	1
Transport Services Officer I	1

<i>Rank</i>	<i>Establishment</i>
Special Driver	38
Motor Driver	70
Workman II	23
Cook	1
Leisure Services Manager	1
Assistant Leisure Services Manager II	1
Management Services Officer I	1
Senior Launch Master	3
Launch Assistant	6
Special Photographer I	1
Special Photographer II	3
<b>Total</b>	<b>7 573</b>

The staff wastage and number of retirees in 2018-19 and the estimated number of retirees in 2019-20 are listed below:

	<b>2018-2019</b> (As at 28 February 2019)		<b>2019-2020</b>
	<b>Staff Wastage</b>	<b>Number of Retirees</b>	<b>Estimated Number of Retirees</b>
<b>Superintendent/ Inspectorate Grade</b>	2	29	26
<b>Customs Officer Grade</b>	87	108	112
<b>Trade Controls Officer Grade</b>	10	17	12
<b>Other Grades</b>	14	19	39

- End -

**CONTROLLING OFFICER'S REPLY****SB477****(Question Serial No. 4233)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-)-Programme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Security / Secretary for Financial Services and the Treasury / Secretary for Commerce and Economic DevelopmentQuestion:

The provision for 2019-20 is \$741 million (23.7%) higher than the revised estimate for 2018-19. It is stated that this is mainly due to the net increase of 144 posts to meet operational needs, increased operating expenses, and increased cash flow requirement for capital projects. Will the Government explain the above in detail and describe the main duties of the additional 144 posts?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 52)Reply:

Under Programme (1) Control and Enforcement of the Customs and Excise Department (C&ED), the provision for 2019-20 is \$741 million higher than the revised estimate for 2018-19. The additional provision is mainly for meeting the expenses arising from the increase in manpower, equipment required and relevant operational needs. C&ED will have a net increase of 144 posts in 2019-20. The new posts are mainly created for enhancing its capability in meeting the growing demand for information technology related services, strengthening the regulation of money service operators, and providing additional manpower to meet operational needs at the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong Section of Guangzhou-Shenzhen-Hong Kong Express Rail Link and to perform other supporting duties, etc. The details of the newly created posts are as follows:

Rank	Number	
	Posts to be created	Posts to be deleted
Senior Inspector of Customs and Excise	3	-
Inspector of Customs and Excise	8	-3
Chief Customs Officer	13	-
Senior Customs Officer	83	-
Customs Officer	28	-21
Principal Trade Controls Officer	1	-

Rank	Number	
	Posts to be created	Posts to be deleted
Chief Trade Controls Officer	2	-
Senior Trade Controls Officer	4	-
Trade Controls Officer	4	-
Assistant Trade Controls Officer	10	-
Clerical Officer	1	-
Clerical Assistant	2	-
Special Driver	2	-
Motor Driver	2	-
Analyst/Programmer II	3	-
Senior Computer Operator	2	-

	Total
Posts to be created	<b>168</b>
Posts to be deleted	<b>-24</b>
Net increase of posts	<b>144</b>

- End -

**CONTROLLING OFFICER'S REPLY**

**SB478**

**(Question Serial No. 4091)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (661) Minor plant, vehicles and equipment (block vote)  
Programme: (1) Control and Enforcement  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Security/Secretary for Financial Services and the Treasury/Secretary for Commerce and Economic Development

Question:

Provision under Subhead 661 Minor plant, vehicles and equipment (block vote) represents an increase of 185.6% over the revised estimate for 2018-19. This is mainly due to the increased requirement for new and replacement equipment. In this regard, please inform this Committee of:

1. the reasons for procurement of new equipment, the types of new equipment, the deployment of staff for using the new equipment and the amount involved; and
2. the reasons for replacement of equipment and the amount involved, the years in which the same types of equipment were replaced last time and the amount involved as well as the expected lifespan of the new equipment.

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 84)

Reply:

Provision of \$119,347,000 under Subhead 661 "Minor plant, vehicles and equipment (block vote)" for 2019-20 represents an increase of 185.6% over the revised estimate for 2018-19. This is mainly due to the increased requirement for new and replacement equipment. The details of the items are as follows:

Procurement of New Equipment

1. To enhance the enforcement capability of the Customs and Excise Department (C&ED) and the effectiveness of customs clearance, C&ED procures new equipment in a timely manner for use by frontline officers. C&ED will use \$40.639 million of the provision for 2019-20 under Subhead 661 "Minor plant, vehicles and equipment (block vote)" to procure the following new equipment:

Item	Type of New Equipment to be Procured and Formation Using the New Equipment	Estimated Expenditure in 2019-20 (\$ million)
1.	Procurement of 1 X-ray checker for use by the Rail and Ferry Command.	1.287
2.	Procurement of 1 reefer container for use by the Ports and Maritime Command.	0.340
3.	Procurement of 1 LED display panel for use by the Lok Ma Chau Control Point.	1.160
4.	Procurement of 1 mobile X-ray checker, 2 contraband detectors and 1 set of closed circuit television system for use by the Airport Command.	1.090
5.	Procurement of 31 handheld narcotics identifiers for use by various control points and the Hong Kong Customs College.	19.229
6.	Procurement of 26 handheld X-ray imagers for use by various control points and the Hong Kong Customs College.	16.817
7.	Procurement of 1 set of closed circuit television system for use by the Shenzhen Bay Control Point.	0.716

Moreover, \$35.729 million of the provision under Subhead 661 “Minor plant, vehicles and equipment (block vote)” will be used to pay for the procurement of the following new equipment/systems (the procurement of which or the relevant preparatory work has commenced in 2018-19 or earlier):

Item	Type of New Equipment to be Procured and Formation Using the New Equipment	Estimated Expenditure in 2019-20 (\$ million)
1.	Procurement of 5 mobile inspection vans for use by the Land Boundary Command and the Cross-boundary Bridge Command.	8.440
2.	Procurement of 8 sets of under vehicle inspection systems for use by the Land Boundary Command and the Cross-boundary Bridge Command.	6.080
3.	Procurement of 1 set of maritime surveillance system for use by the Ports and Maritime Command.	4.500
4.	Procurement of 2 X-ray checkers, 2 contraband detectors and 1 set of closed circuit television system for use by the Airport Command.	5.281
5.	Procurement of 1 X-ray checker for use by the Rail and Ferry Command.	0.484
6.	Procurement of 13 handheld narcotics identifiers for use by various control points.	6.790
7.	Procurement of 2 sets of closed circuit television systems for use by the Land Boundary Command and the Cross-boundary Bridge Command.	1.854
8.	Procurement of 1 LED display panel for use by the Lok Ma Chau Control Point.	2.300



## Replacement of Equipment

2. Due to the ageing of the equipment/systems and the fact that continuing their maintenance is uneconomical, C&ED needs to replace such equipment/systems to enhance its enforcement capability. C&ED will use \$25.924 million of the provision for 2019-20 under Subhead 661 “Minor plant, vehicles and equipment (block vote)” for replacing the following equipment/systems:

Item	Type of Equipment/System to be Replaced and Formation Using the Equipment/System	Year of Last Replacement	Estimated Expenditure in 2019-20 (\$ million)	Expected Lifespan
1.	Replacement of 18 X-ray checkers for use by various control points.	2004-2010	13.803	8-10 years
2.	Replacement of 9 contraband detectors for use by various control points.	2009-2012	0.180	7 years
3.	Replacement of 1 inflatable craft for use by the Ports and Maritime Command.	2001	0.020	15 years
4.	Replacement of 5 sets of air-conditioning units for computer rooms for use by the Office of Information Technology.	2008	2.200	10 years
5.	Replacement of the fresh air handling unit for use by the Ports and Maritime Command.	2002	1.573	10 years
6.	Replacement of wireless radio communications equipment for use by the Revenue and General Investigation Bureau.	2010	0.500	10 years
7.	Replacement of the closed circuit television system for use by the Lok Ma Chau Spur Line Control Point.	2007	2.000	10 years
8.	Replacement of the closed circuit television systems for use by the Customs Detector Dog Bases.	2003-2011	2.550	10 years
9.	Replacement of the video wall display system for use by the Office of Information Technology.	2010	1.919	10 years
10.	Replacement of the information display system for use by the Lok Ma Chau Spur Line Control Point.	2007	0.679	10 years
11.	Replacement of the vehicle access control system for use by the Shenzhen Bay Control Point.	2007	0.500	10 years

Moreover, \$17.055 million of the provision under Subhead 661 “Minor plant, vehicles and equipment (block vote)” will be used for replacing the following equipment/system (the procurement of which or the relevant preparatory work has commenced in 2018-19 or earlier):

Item	Type of Equipment/System to be Replaced and Formation Using the Equipment/System	Year of Last Replacement	Estimated Expenditure in 2019-20 (\$ million)	Expected Lifespan
1.	Replacement of 11 X-ray checkers for use by various control points.	2004-2010	11.166	8-10 years
2.	Replacement of 6 contraband detectors for use by various control points.	2006-2011	3.666	7 years
3.	Replacement of the air-conditioning system of changing rooms for use by the Airport Command.	1998	2.223	10 years

- End -

**CONTROLLING OFFICER'S REPLY**

**SB479**

**(Question Serial No. 4100)**

Head: (31) Customs and Excise Department

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

Programme: Not specified

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

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

Question:

Regarding the publicity and education programmes of the Customs and Excise Department (C&ED), please inform this Committee of the operational expenditure of the Department's official YouTube channel (<https://www.youtube.com/channel/UCU-iB7YhTIjvm870F15F8aA>) in the past year, including expenditure on video production, advertising, daily operation, etc.

Asked by: Hon YEUNG Alvin (LegCo internal reference no.: 81)

Reply:

The operational expenditure of C&ED's official YouTube channel has been subsumed under the Department's general operating expenditure. C&ED does not have a breakdown of the figures.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)229**

**(Question Serial No. 0314)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Customs and Excise Department (C&ED) states that it will strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. Please advise this Committee of the following:

1. In relation to the online sale of infringing goods in the past 3 years,
  - (a) the numbers of prosecutions;
  - (b) the numbers of persons arrested; and
  - (c) the types of online infringing goods and the respective amounts of money involved.
2. In many cases that involve online infringing goods, effective prosecutions are not made possible due to alleged overseas registration or the fact that the offender(s) is/are abroad. In this connection, what new measures will C&ED adopt to plug the loophole and enhance the rate of successful enforcement?
3. How will the capability in the detection of online sale of infringing goods be upgraded? If new equipment is required to facilitate such work, please provide a detailed description of the functions of the equipment and the estimated expenditure.

Asked by: Hon CHAN Kin-por (LegCo internal reference no.: 10)

Reply:

The details of online intellectual property rights (IPR) infringement cases detected by C&ED in the past 3 years are as follows:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of prosecutions#	181	158	177
Number of persons arrested	227	242*	245
Total value of seizures (mostly clothing, watches and accessories)	\$1.8 million	\$2.6 million	\$3.5 million

# Excluding cases in which nobody has been prosecuted

\* An updated figure

Owing to the borderless nature of the Internet, it is difficult for the law enforcement agency (LEA) of any single country or region to bring criminals engaged in transnational online infringing activities to justice by relying on its own efforts. As such, C&ED has been actively strengthening liaison and exchanging intelligence with overseas LEAs with a view to combating such activities more effectively. If offshore websites, users or platforms, etc. are found to be involved in IPR infringement cases, C&ED will, where appropriate, contact the overseas LEAs for exchange of intelligence or refer the relevant cases to the overseas LEAs concerned for follow-up actions.

C&ED has been closely monitoring the latest trend of IPR infringing activities on the Internet and the related electronic crimes, and conducts timely review of the effectiveness of its enforcement work. Over the past few years, C&ED has, through redeployment of internal resources, set up three dedicated “Anti-Internet Piracy Teams” for the relevant enforcement work; established the “Electronic Crime Investigation Centre” to enhance the capabilities of frontline officers in online investigation and evidence collection, and developed various online monitoring systems to better monitor and combat online IPR infringing activities. One of such systems is the Big Data Analytics System launched at the end of 2017, which can analyse mass information on different Internet platforms for more effective surveillance on infringing activities and their evolving trend. In 2019-20, the resources and manpower to be devoted by C&ED to the enforcement work against IPR crimes will be comparable to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB(CIT)230****(Question Serial No. 2928)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (5) Trade ControlsControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

Regarding the controls on strategic commodities, please advise this Committee of the following:

1. Please set out in tabular form the statistics on prosecutions related to the controls on strategic commodities over the past 5 years, including (i) date of enforcement action, (ii) company involved, (iii) illegal products (category) involved, (iv) quantity of illegal products involved, (v) intended export destination, (vi) place of import of articles involved (if applicable) and (vii) amount of fine.

Year

(i) Date of enforcement action	(ii) Company involved	(iii) Category of major illegal articles involved	(iv) Quantity of major illegal articles involved	(v) Intended export destination	(vi) Place of import of articles involved (if applicable)	(vii) Amount of fine

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 18)

Reply:

Statistics on strategic commodity-related enforcement by the Customs and Excise Department (C&ED) in the past five years, i.e. 2014 to 2018, are tabulated below:

	2014	2015	2016	2017	2018
Number of prosecutions	23	62	45	33	49
Fine (\$ million)	0.85	3.58	1.18	0.75	0.94
Value of forfeited goods (\$ million)	0	0.98	10.93	1.17	1.45

C&ED does not comment on individual cases.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB(CIT)231****(Question Serial No. 6039)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please set out the number of complaints about unfair trade practices received last year and the number of substantiated cases after investigation.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 283)

Reply:

The numbers of complaints concerning the Trade Descriptions Ordinance (TDO)<sup>^</sup> received, cases investigated, successful prosecutions and cases with written undertakings accepted by the Customs and Excise Department last year were as follows:

	<b>2018</b>
Number of complaints	10 818
Number of cases investigated	142
Number of successful prosecutions	66
Number of cases with written undertakings accepted	9

Note: <sup>^</sup> The offences under the TDO include: false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch, wrongly accepting payment and other offences under the TDO, such as the offences under sections 4 and 12.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)232**

**(Question Serial No. 6255)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Of the intellectual property rights investigations conducted last year, how many were carried out by the Department upon receipt of reports? How many were carried out by the Department on its own initiative?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 303)

Reply:

Of the intellectual property rights investigations conducted by the Customs and Excise Department last year, investigations were carried out upon receipt of reports for 1 782 cases. In addition, 665 cases were effected as a result of investigations upon proactive inspections and special operations.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)233**

**(Question Serial No. 7236)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

1. In the past 5 years, how many cases relating to online selling of intellectual property rights (IPR) infringing goods were detected by the Customs and Excise Department (C&ED)? What were the values and types of the goods? How many persons were involved?
2. How many cases of IPR infringement were reported in the past 5 years respectively? What were the numbers of cases with investigation completed in the past 5 years respectively? What are the estimated number of staff and expenditure involved in the investigation of IPR infringement cases in 2019-2020?
3. What are the estimates of C&ED for upgrading its capability in the investigation of Internet and electronic crimes relating to IPR infringement in 2019-2020?
4. What are the estimates of C&ED for promoting public and traders' awareness of IPR and consumer protection legislation through publicity programmes in 2019-2020?
5. Please provide the expenditure and number of staff involved in the implementation of the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 by C&ED, the Commerce and Economic Development Bureau (CEDB) and other parties concerned in 2019-2020, as well as 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 2019-2020.
6. In the past 5 years, what were the actual expenditure, number of staff and number of prosecutions involved in the investigation of false claims on health products by C&ED? In 2019-2020, what are the specific amount of expenditure and number of staff involved in the investigation of false claims on health products by C&ED?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 105)

Reply:

The details of online IPR infringement cases detected by C&ED in the past 5 years are as follows:

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of cases	184	200	201	202	207
Number of persons arrested	202	248	227	242	245
Total value of seizures (mostly clothing, watches and accessories)	\$2.47 million	\$3 million	\$1.8 million	\$2.6 million	\$3.5 million

In 2019-20, a total of 190 C&ED officers will be deployed for the prevention and detection of IPR crimes, involving an expenditure of around \$86.91 million. The numbers of cases investigated by C&ED in the past 5 years are as follows:

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of cases investigated	1 954	1 892	1 599	1 606	1 782
Number of cases completed	1 913	1 577	1 546	1 540	1 448

C&ED has been closely monitoring IPR infringing activities on the Internet and combating the related crimes. In 2018-19, there were a total of 45 C&ED officers dedicated to the relevant work, involving an expenditure of around \$20.1 million. In 2019-20, the resources and manpower devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of the existing resources and manpower.

C&ED has been enhancing the public's understanding of IPR and consumer rights through various channels, including seminars and thematic talks organised in collaboration with the Intellectual Property Department, the Consumer Council, industry associations, major chambers of commerce and relevant Government departments from time to time. In 2019-20, C&ED will continue to work in this area. The expenditure involved has been subsumed within the Department's provision. It is difficult to quantify such expenditure separately.

In the past 5 years, C&ED prosecuted 10 companies and 4 persons for contravention of the Trade Descriptions Ordinance (TDO) regarding false trade descriptions on health products. In 2019-20, C&ED will deploy a total of 227 enforcement officers (Note) to implement the TDO, involving an expenditure of \$116 million. It is difficult to quantify the manpower and expenditure involved by category of goods separately.

(Note): In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)234**

**(Question Serial No. 0428)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (000) Operational expenses  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Will the Government advise this Committee of the following:

The estimated provision of the Customs and Excise Department (C&ED) for “Intellectual Property Rights and Consumer Protection” in 2019-20 is 13.2% higher than the original estimate for 2018-19. C&ED has explained that it is due to the increase of 40 posts to meet operational needs. Please provide the details of these posts, including the work they handle.

Does C&ED have a separate breakdown of the expenditure for combating “online infringing activities”? If yes, what is the expenditure involved? If no, what are the reasons?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 4)

Reply:

The 40 posts to be created in 2019-20 are for strengthening the capability of C&ED in handling reporting, investigation and related enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff. Details are as follows:

Rank	Number
Senior Inspector of Customs and Excise	2
Inspector of Customs and Excise	4
Chief Customs Officer	2
Senior Customs Officer	6
Customs Officer	14
Senior Trade Controls Officer	1
Trade Controls Officer	2
Assistant Trade Controls Officer	6
Confidential Assistant	1
Assistant Clerical Officer	1
Motor Driver	1
Total:	40

C&ED has been closely monitoring intellectual property rights infringing activities on the Internet and combating related crimes. In 2018-19, there were a total of 45 C&ED officers dedicated to the relevant work, involving a salary provision of about \$20.1 million. The expenditure involved has been included in Programme (3).

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)235**

**(Question Serial No. 0341)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding Matters Requiring Special Attention in 2019-20, the Customs and Excise Department (C&ED) will continue to strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods. What will be the expenditure involved in the related work? What was the expenditure on such work in 2018-19 and how effective was the work?

Asked by: Hon CHUNG Kwok-pan (LegCo internal reference no.: 24)

Reply:

As a result of the continuous and vigorous enforcement actions taken by C&ED, intellectual property rights (IPR) infringing activities in the local market have reduced significantly as compared to several years ago, but the online sale of IPR infringing goods has been shifting from auction sites to social media platforms as well as online community market places. C&ED has been closely monitoring the latest trend of IPR infringing activities on the Internet and the related electronic crimes, and conducts timely review of the effectiveness of its enforcement work. Over the past few years, C&ED has, through redeployment of internal resources, set up three dedicated "Anti-Internet Piracy Teams" for the relevant enforcement work; established the "Electronic Crime Investigation Centre" to enhance the capabilities of frontline officers in online investigation and evidence collection, and developed various online monitoring systems to better monitor and combat online IPR infringing activities. One of such systems is the Big Data Analytics System launched at the end of 2017, which can analyse mass information on different Internet platforms for more effective surveillance on infringing activities and their evolving trend.

In 2018-19, C&ED had a total of 190 officers who were dedicated to preventing and detecting IPR crimes, involving a salary expenditure of about \$86.91 million. The relevant expenditure on system maintenance was about \$1.03 million.

The details of IPR infringing cases detected by C&ED in 2018 are as follows:

Number of cases (online IPR crime)	951 cases (207 cases)
Total value of seizures (online IPR crime)	\$104 million (\$3.5 million)
Number of successful prosecutions (online IPR crime) (Note)	421 cases (149 cases)
Penalties imposed by the Court	Fine: \$100 - \$90,000; Community service order: 40 - 240 hours; Imprisonment: 3 days - 26 months

Note: Cases with trial concluded in 2018

In 2019-20, C&ED will devote a comparable amount of resources and manpower to enforcement work in this area, and will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

- End -

**CONTROLLING OFFICER'S REPLY****CEDB(CIT)236****(Question Serial No. 2508)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to the control system for strategic commodities, will the Government advise this Committee of the following:

1. Please tabulate by offence type the numbers of prosecutions, convictions and cases where sentences or fines were imposed for contravention of relevant legislation in the past 3 financial years.
2. With regard to the implementation of the United Nations sanctions terms, including terms of embargoes, please tabulate by offence type the numbers of prosecutions, convictions and cases where sentences or fines were imposed for contravention of the United Nations sanctions orders in the past 3 financial years.
3. How much manpower is responsible for the inspections on the implementation and for the enforcement of the relevant terms of embargoes in Hong Kong?

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 84)

Reply:

Statistics on strategic commodity-related enforcement taken by the Customs and Excise Department (C&ED) in the past three years, i.e. 2016 to 2018, are tabulated below:

	2016	2017	2018
Number of prosecutions	45	33	49
Fine (\$ million)	1.18	0.75	0.94
Value of forfeited goods (\$ million)	10.93	1.17	1.45

In the past three years, C&ED investigated 86 suspected cases of United Nations Security Council (UNSC) sanctions violations. Breakdowns by year are as follows:

	2016	2017	2018
Number of cases	7	28	51

There have been no prosecution or conviction cases initiated by C&ED under the United Nations Sanctions Ordinance. C&ED will continue to maintain a stringent system of implementing UNSC sanctions in accordance with the law. Exercising its statutory authorities, C&ED will follow up on all suspected violations of UNSC sanctions vigorously, and will institute prosecutions when there is sufficient evidence.

As regards staff establishment, apart from the staff responsible for on-site examination of cargoes at boundary control points, C&ED has a total of 47 officers dedicated to the enforcement of strategic trade controls, the control of the provision of services to assist in the development of weapons of mass destruction, and the enforcement against the supply, sale or transfer of arms and other items subject to sanction under the United Nations Sanctions Ordinance.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)237**

**(Question Serial No. 4804)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Please list the respective numbers of reports received, undercover operations conducted, prosecutions instituted and convictions handed down, and the respective amounts of fines in the past 3 financial years for the 5 types of unfair trade practices (including aggressive commercial practices, bait advertising, bait and switch, misleading omissions and wrongly accepting payment) under the Trade Descriptions Ordinance as amended in 2012.

Asked by: Hon KWOK Wing-hang, Dennis (LegCo internal reference no.: 95)

Reply:

In the past 3 years, the figures in relation to the enforcement of the Trade Descriptions Ordinance by the Customs and Excise Department against the 5 types of unfair trade practices are as follows:

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Misleading omissions	Number of complaints	332	213	278
	Number of prosecutions	6	7	10
	Number of convicted companies/individuals	8	11	7
	Amount of fines	\$2,000 to \$100,000	\$4,000 to \$30,000	\$3,000 to \$5,000
	Imprisonment (excluding suspended sentence)	2 weeks' imprisonment to 2 months' imprisonment	10 weeks' imprisonment	-
	Imprisonment (suspended sentence)	3 months' imprisonment (suspended for 2 years)	3 weeks' imprisonment (suspended for 2 years)	2 months' imprisonment (suspended for 2 years)

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Misleading omissions	Community service order	160 hours	160 hours to 240 hours	160 hours
Aggressive commercial practices	Number of complaints	191	151	312
	Number of prosecutions	3	2	0
	Number of convicted companies/individuals	1	4	0
	Amount of fines	-	-	-
	Imprisonment (excluding suspended sentence)	1 month's imprisonment	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	120 hours to 200 hours	-
Bait advertising	Number of complaints	15	8	9
	Number of prosecutions	1	2	0
	Number of convicted companies/individuals	0	1	2
	Amount of fines	-	\$10,000	\$10,000
	Imprisonment (excluding suspended sentence)	-	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	-	180 hours
Bait and switch	Number of complaints	11	2	3
	Number of prosecutions	0	0	3
	Number of convicted companies/individuals	0	0	2
	Amount of fines	-	-	\$5,000
	Imprisonment (excluding suspended sentence)	-	-	-
	Imprisonment (suspended sentence)	-	-	-
	Community service order	-	-	120 hours
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of prosecutions	1	2	5
	Number of convicted companies/individuals	0	3	4
	Amount of fines	-	\$48,000	\$24,000 to \$40,000

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Wrongly accepting payment	Imprisonment (excluding suspended sentence)	-	6 months' imprisonment	-
	Imprisonment (suspended sentence)	-	-	14 days' imprisonment (suspended for 1 year)
	Community service order	-	100 hours	-
Number of undercover operations		768	759	337

- End -

**CONTROLLING OFFICER'S REPLY****CEDB(CIT)238****(Question Serial No. 1853)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding cases of unfair trade practices, please inform this Committee of:

1. the respective numbers of complaints received, investigations, prosecutions and convictions related to the Trade Descriptions Ordinance (TDO) with a breakdown of the figures by type of offence in the past 3 years.
2. the respective numbers of complaints received, investigations, prosecutions and convictions related to the TDO with a breakdown of the figures by nature of business in the past 3 years.

Asked by: Hon LEUNG Che-cheung (LegCo internal reference no.: 47)

Reply:

The numbers of complaints, investigations, prosecutions and convictions related to the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department in the past 3 years were as follows:

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
False trade descriptions	Number of complaints	4 476	6 169	9 021
	Number of investigations	92	78	89
	Number of prosecutions	36	47	34
	Number of convicted companies/individuals	40	43	42
Misleading omissions	Number of complaints	332	213	278
	Number of investigations	12	10	5
	Number of prosecutions	6	7	10
	Number of convicted companies/individuals	8	11	7

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Aggressive commercial practices	Number of complaints	191	151	312
	Number of investigations	10	2	13
	Number of prosecutions	3	2	0
	Number of convicted companies/individuals	1	4	0
Bait advertising	Number of complaints	15	8	9
	Number of investigations	1	1	0
	Number of prosecutions	1	2	0
	Number of convicted companies/individuals	0	1	2
Bait and switch	Number of complaints	11	2	3
	Number of investigations	0	0	2
	Number of prosecutions	0	0	3
	Number of convicted companies/individuals	0	0	2
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of investigations	10	9	16
	Number of prosecutions	1	2	5
	Number of convicted companies/individuals	0	3	4
Other offences under the TDO <sup>^</sup>	Number of complaints	38	3	0
	Number of investigations	19	8	17
	Number of prosecutions	24	14	14
	Number of convicted companies/individuals	22	16	15
Total	Number of complaints	7 260	6 922	10 818
	Number of investigations	144	108	142
	Number of prosecutions	71	74	66
	Number of convicted companies/individuals	71	78	72

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Major industries involved	--	<p>Goods: food and beverage, electrical and electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc.</p> <p>Services: fitness and yoga, beauty and hairdressing, travel and education, etc.</p>	<p>Goods: food and beverage, electrical and electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc.</p> <p>Services: travel, beauty and hairdressing, fitness and yoga, furniture, decoration and interior design, etc.</p>	<p>Goods: food and beverage, electrical and electronic goods retailers, ginseng products and dried seafood/ Chinese and Western medicines, supermarkets, department stores and convenience stores, etc.</p> <p>Services: travel, fitness and yoga, beauty and hairdressing, furniture, decoration and interior design, etc.</p>

^ Such as the offences under sections 4 and 12 of the TDO.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)239**

**(Question Serial No. 0960)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding the enforcement of the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED), will the Government advise this Committee of:

- (a) the numbers of complaints about false trade descriptions and the numbers of prosecutions initiated in the past 3 years (please provide the breakdown by year);
- (b) the numbers of complaints about unfair trade practices and the numbers of prosecutions initiated in the past 3 years (please provide the breakdown by year); and
- (c) whether an annual target of carrying out spot checks on fair trading in articles (trade descriptions) is set? If yes, what is the target? If no, what are the reasons?

Asked by: Hon OR Chong-shing, Wilson (LegCo internal reference no.: 43)

Reply:

The numbers of complaints received by C&ED and prosecutions initiated concerning the TDO in the past 3 years were as follows:

<b>Offence</b>	<b>Category of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
False trade descriptions	Number of complaints	4 476	6 169	9 021
	Number of prosecutions	36	47	34
Misleading omissions	Number of complaints	332	213	278
	Number of prosecutions	6	7	10
Aggressive commercial practices	Number of complaints	191	151	312
	Number of prosecutions	3	2	0
Bait advertising	Number of complaints	15	8	9
	Number of prosecutions	1	2	0

<b>Offence</b>	<b>Category of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Bait and switch	Number of complaints	11	2	3
	Number of prosecutions	0	0	3
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of prosecutions	1	2	5
Other offences under the TDO <sup>^</sup>	Number of complaints	38	3	0
	Number of prosecutions	24	14	14
Total	Number of complaints	7 260	6 922	10 818
	Number of prosecutions	71	74	66

Remarks: <sup>^</sup> Such as the offences under sections 4 and 12 of the TDO.

C&ED officers will conduct spot checks on traders to verify if they have complied with the Orders under the TDO for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. C&ED sets an annual indicator for spot checks. In 2019, the estimate for the spot checks indicator is 4 000.

- End -



**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)240**

**(Question Serial No. 2265)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

As indicated in Matters Requiring Special Attention in 2019-20, the Customs and Excise Department (C&ED) will strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services. Please advise this Committee of:

1. the staff establishment and expenditure involved; and
2. the statistics on enforcement actions related to false trade descriptions and unfair trade practices in 2018-19.

Asked by: Hon QUAT Elizabeth (LegCo internal reference no.: 167)

Reply:

The manpower and expenditure involved in the enforcement of the Trade Descriptions Ordinance (TDO) by C&ED in 2019-20 are as follows:

Year	Manpower involved	Expenditure involved (\$ million)
2019-20 <sup>^</sup>	227	116

Note: <sup>^</sup> In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

The numbers of successful prosecutions and cases with written undertakings accepted in relation to C&ED's enforcement of the TDO against false trade descriptions and unfair trade practices in 2018 were as follows:

	<b>2018</b>
Number of successful prosecutions (cases)	66
Number of convictions (company/individual)	72
Number of written undertakings accepted (company/individual)	9

- End -

**CONTROLLING OFFICER'S REPLY****CEDB(CIT)241****(Question Serial No. 4232)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Rights and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

In 2019-20, 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. Please give details of the relevant estimated expenditure and the staff establishment for this task (with a breakdown of the manpower by post in a table).

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 51)Reply:

In 2019-20<sup>^</sup>, a total of 227 C&ED officers will be responsible for the enforcement against false trade descriptions and unfair trade practices in respect of both goods and services, and the related expenditure is about \$116 million. Details of the posts are as follows:

Rank	Number
Principal Trade Controls Officer	1
Chief Trade Controls Officer	5
Senior Trade Controls Officer	18
Trade Controls Officer	65
Assistant Trade Controls Officer	53
Superintendent of Customs and Excise	1
Assistant Superintendent of Customs and Excise	2
Senior Inspector of Customs and Excise	4
Inspector of Customs and Excise	10
Chief Customs Officer	10
Senior Customs Officer	12
Customs Officer	46
<b>Total:</b>	<b>227</b>

Note: <sup>^</sup> In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)242**

**(Question Serial No. 2724)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

On the matter of strengthening enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services:

1. Please provide the respective staff establishment and expenditures of the Customs and Excise Department (C&ED) in 2018-19 and 2019-20. What are the changes?
2. In relation to the enforcement of the Trade Descriptions Ordinance (TDO) and the other 3 ordinances on consumer protection, please provide (a) the numbers of complaints received by C&ED, (b) the numbers of prosecutions, (c) the numbers of convictions, (d) the maximum penalty imposed on convicted individuals/companies, and (e) the average penalty imposed in the past 3 years.
3. Please provide (a) the numbers of complaints received by C&ED, (b) the numbers of prosecutions, and (c) the numbers of convictions with a breakdown by type of common offences, including false trade descriptions, misleading omissions and aggressive commercial practices, under the TDO in the past 3 years.

Asked by: Hon WAN Siu-kin, Andrew (LegCo internal reference no.: 60)

Reply:

The manpower and expenditures involved in the enforcement of the 4 ordinances, namely the Trade Descriptions Ordinance (TDO), the Weights and Measures Ordinance, the Consumer Goods Safety Ordinance, and the Toys and Children's Products Safety Ordinance by C&ED in 2018-19 and 2019-20 are as follows:

Ordinance	Type	Year	
		2018/19	2019/20
TDO	Enforcement manpower	190	227 <sup>^</sup>
	Expenditure involved (\$ million)	99.91	116.20
Weights and Measures Ordinance	Enforcement manpower	22	22
	Expenditure involved (\$ million)	11.43	11.43
Consumer Goods Safety Ordinance	Enforcement manpower	19	19
	Expenditure involved (\$ million)	10.29	10.29
Toys and Children's Products Safety Ordinance	Enforcement manpower	16	16
	Expenditure involved (\$ million)	9.15	9.15

Note: <sup>^</sup> In 2019-20, C&ED plans to create 40 posts to enhance the handling of reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff.

The figures and information in relation to the enforcement of the 4 above-mentioned ordinances by C&ED in the past 3 years were as follows:

Ordinance	Breakdown of figures and information		2016	2017	2018
TDO	Number of complaints		7 260	6 922	10 818
	Number of prosecutions		71	74	66
	Number of convicted companies/individuals		71	78	72
	Maximum penalty	Fine	\$100,000	\$120,000	\$130,000
		Imprisonment	2 months' imprisonment and a compensation of \$28,160 to the victim	6 months' imprisonment and a compensation of \$10,000 to the victim	6 months' imprisonment (suspended for 3 years)
	Average fine*		\$12,807	\$14,654	\$13,153
Weights and Measures Ordinance	Number of complaints		588	406	396
	Number of prosecutions		24	19	19
	Number of convicted companies/individuals		27	21	20
	Maximum fine		\$10,000	\$9,000	\$10,000
	Average fine*		\$3,283	\$3,342	\$3,284

<b>Ordinance</b>	<b>Breakdown of figures and information</b>		<b>2016</b>	<b>2017</b>	<b>2018</b>
Consumer Goods Safety Ordinance	Number of complaints		129	117	100
	Number of prosecutions		13	5	9
	Number of convicted companies/individuals		13	5	9
Consumer Goods Safety Ordinance	Maximum penalty	Fine	\$28,000	\$15,000	\$55,000
		Imprisonment	-	-	4 months' imprisonment (suspended for 18 months)
	Average fine*		\$17,823	\$8,800	\$23,788
Toys and Children's Products Safety Ordinance	Number of complaints		31	39	18
	Number of prosecutions		1	4	6
	Number of convicted companies/individuals		1	4	6
	Maximum fine		\$2,000	\$10,000	\$66,000
	Average fine*		\$2,000	\$7,875	\$18,000

\* The average amount of fine imposed in cases where a fine was handed down.

The figures in relation to C&ED's enforcement of the TDO in the past 3 years were as follows:

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
False trade descriptions	Number of complaints	4 476	6 169	9 021
	Number of prosecutions	36	47	34
	Number of convicted companies/individuals	40	43	42
Misleading omissions	Number of complaints	332	213	278
	Number of prosecutions	6	7	10
	Number of convicted companies/individuals	8	11	7
Aggressive commercial practices	Number of complaints	191	151	312
	Number of prosecutions	3	2	0
	Number of convicted companies/individuals	1	4	0
Bait advertising	Number of complaints	15	8	9
	Number of prosecutions	1	2	0
	Number of convicted companies/individuals	0	1	2
Bait and switch	Number of complaints	11	2	3
	Number of prosecutions	0	0	3

<b>Offence</b>	<b>Breakdown of figures</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
	Number of convicted companies/individuals	0	0	2
Wrongly accepting payment	Number of complaints	2 197	376	1 195
	Number of prosecutions	1	2	5
	Number of convicted companies/individuals	0	3	4
Other offences under the TDO <sup>^</sup>	Number of complaints	38	3	0
	Number of prosecutions	24	14	14
	Number of convicted companies/individuals	22	16	15

Note: <sup>^</sup> Such as the offences under sections 4 and 12 of the TDO.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)243**

**(Question Serial No. 0622)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding complaints against unfair trade practices, will the Government advise this Committee of the following information in the past 3 years:

1. the numbers of complaints received against unfair trade practices with a breakdown of the figures by the industry being complained;
2. the respective numbers of urgent complaints and priority complaints;
3. the numbers of successful prosecutions among the complaints received against unfair trade practices; and
4. the staff establishment and expenditure involved in handling complaints against unfair trade practices.

Asked by: Hon WONG Kwok-kin (LegCo internal reference no.: 39)

Reply:

The numbers of complaints received by the Customs and Excise Department (C&ED) under the Trade Descriptions Ordinance (TDO) ^ and successful prosecutions in the past 3 years were as follows:



	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of complaints	7 260	6 922	10 818
Major industries involved	Goods: food and beverage, electrical & electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc.  Services: fitness and yoga, beauty and hairdressing, travel and education, etc.	Goods: food and beverage, electrical & electronic goods retailers, supermarkets, department stores and convenience stores, ginseng products and dried seafood/ Chinese and Western medicines, etc.  Services: travel, beauty and hairdressing, fitness and yoga, furniture, decoration and interior design, etc.	Goods: food and beverage, electrical & electronic goods retailers, ginseng products and dried seafood/ Chinese and Western medicines, supermarkets, department stores and convenience stores, etc.  Services: travel, fitness and yoga, beauty and hairdressing, furniture, decoration and interior design, etc.
Number of successful prosecutions	64	68	66

Note: ^ The offences under the TDO include: false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait and switch, wrongly accepting payment, and other offences under the TDO, such as the offences under sections 4 and 12.

The numbers of urgent complaints and priority complaints related to the TDO handled by C&ED in the past 3 years were as follows:

<b>Type of complaint</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Urgent complaint	100	78	87
Priority complaint	51	43	26

The manpower and expenditures involved in the enforcement of the TDO by C&ED in the past 3 years were as follows:

<b>Year</b>	<b>Manpower involved</b>	<b>Expenditure involved (\$ million)</b>
2016-17	190	92.85
2017-18	190	95.44
2018-19	190	99.91

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)244**

**(Question Serial No. 3116)**

Head: (31) Customs and Excise Department  
Subhead (No. & title): (-) -  
Programme: (3) Intellectual Property Rights and Consumer Protection  
Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)  
Director of Bureau: Secretary for Commerce and Economic Development

Question:

The estimated provision for Programme (3) is increased by \$35.4 million (9.8%). This is mainly due to the net increase of 40 posts to meet operational needs and increased operating expenses.

How will the additional posts be deployed? How many of them will be deployed by the Customs and Excise Department (C&ED) to upgrade its capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights (IPR)? Regarding the strengthening of enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services, will C&ED deploy additional manpower and increase its inspection frequency? If yes, what are the details? If no, what are the reasons?

Asked by: Hon WONG Ting-kwong (LegCo internal reference no.: 51)

Reply:

The 40 posts to be created by C&ED in 2019-20 are for strengthening the capability of C&ED in handling reporting, investigation and relevant enforcement work related to unfair trade practices. Of these new posts, 37 are enforcement officers and 3 are supporting staff. Details of the posts to be created are as follows:

Rank	Number
Senior Inspector of Customs and Excise	2
Inspector of Customs and Excise	4
Chief Customs Officer	2
Senior Customs Officer	6
Customs Officer	14
Senior Trade Controls Officer	1
Trade Controls Officer	2
Assistant Trade Controls Officer	6

Rank	Number
Confidential Assistant	1
Assistant Clerical Officer	1
Motor Driver	1
Total:	40

C&ED has been closely monitoring IPR infringing activities on the Internet and combating related crimes. In 2018-19, there were a total of 45 C&ED officers dedicated to the relevant work, involving a salary provision of about \$20.1 million. In 2019-20, the resources and manpower to be devoted by C&ED to the relevant work will be similar to the existing level, and C&ED will continue to take action against IPR offences through flexible deployment of existing resources and manpower.

C&ED officers will conduct spot checks on traders to verify if they have complied with the Orders under the Trade Descriptions Ordinance for provision of information on stones, precious metals and regulated electronic products, as well as the requirements on trade descriptions and trade practices. In 2019, the estimate for the spot checks indicator is 4 000.

- End -

**CONTROLLING OFFICER'S REPLY**

**CEDB(CIT)245**

**(Question Serial No. 1032)**

Head: (31) Customs and Excise Department

Subhead (No. & title): (-) -

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

With regard to exploring the setting up of more clearance points in the Mainland under the Single E-lock Scheme (the Scheme), what are the number of newly proposed clearance points, their locations and the estimated expenditure?

Asked by: Hon YICK Chi-ming, Frankie (LegCo internal reference no.: 10)

Reply:

At present, 51 clearance points under the Scheme are set up in the Guangdong Province. These 51 clearance points cover the Province, including many municipalities in the Greater Bay Area. The detailed list and locations of the clearance points can be found on the website of the Customs and Excise Department (C&ED). According to the policy measures promulgated by the Central Government and announced on 1 March 2019, the Scheme would be extended to cover all nine Mainland municipalities in the Greater Bay Area. C&ED will actively follow up with its Mainland counterparts on the measure of setting up more clearance points in the Greater Bay Area, and will further encourage the logistics industry to join the Scheme. Such work is part of the day-to-day operation of C&ED and the related expenses cannot therefore be quantified separately. As regards the setting up of more clearance points under the Scheme by the Mainland authorities in its territory, the relevant work does not involve expenditure of the SAR Government.

- End -

**CONTROLLING OFFICER'S REPLY****S-CEDB(CIT)07****(Question Serial No. S059)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-) -Programme: (3) Intellectual Property Rights and Consumer ProtectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Commerce and Economic DevelopmentQuestion:

1. Please list the numbers of complaints received regarding goods, and the travel, beauty and hairdressing, fitness and yoga, furniture, decoration and interior design industries.
2. The number of complaints increased to 10 818 in 2018, but the number of successful prosecutions was only 66. Moreover, the numbers of successful prosecutions in 2016 and 2017 were only 64 and 68 respectively. What was the reason for the low successful prosecution rate?

Asked by: Hon LUK Chung-hungReply:

The numbers of complaints received by the Customs and Excise Department (C&ED) under the Trade Descriptions Ordinance (TDO) regarding goods, travel services, beauty and hairdressing services, fitness and yoga services, as well as furniture, decoration and interior design services in the past 3 years are as follows:

		<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of complaints	Goods	3 472	4 373	4 327
	Travel services	341	469	633
	Beauty and hairdressing services	456	464	389
	Fitness and yoga services	1 867	270	599
	Furniture, decoration and interior design services	90	200	230

The total number of complaints in 2018 (10 818) increased by 56% as compared with that in 2017 (6 922), of which approximately 3 600 complaints involved vaccine shortages. If the relevant cases were discounted, the number of complaints in 2018 was similar to that in 2017. On the handling of complaints involving the TDO, C&ED will consolidate the complaints received for conducting investigation, and decide whether or not to institute prosecutions in accordance with the established prosecution policies. Factors for consideration include whether the evidence obtained is sufficient to satisfy the requirement of proof beyond reasonable doubt. After consolidation, a total of 142 cases were opened for investigation in 2018. There were 66 successful prosecutions and the successful prosecution rate was close to 50%. There were also 9 undertakings accepted from traders.

C&ED will continue to actively enforce the TDO by adopting a three-pronged approach, including enforcement, compliance promotion as well as education and publicity, in order to protect consumers' interests by combating common unfair trade practices at source.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)003**

**(Question Serial No. 1273)**

Head: (31) Customs and Excise Department

Subhead (No. & title): ( )

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please advise this Committee of the following:

1. The numbers of cases involving duty-not-paid cigarettes and the quantities of illicit cigarettes detected by the Customs and Excise Department (C&ED) in the past 3 years;
2. Some members of the tobacco industry consider that the increase in the proportion of health warnings on cigarette packets after the passage of the Smoking (Public Health) (Notices) (Amendment) Order 2017 will aggravate the illicit cigarette problem because it will be more difficult to include labels with anti-forgery feature on cigarette packets. In this regard, has C&ED compared the situation of the illicit cigarette problem in Hong Kong since the passage of the Amendment Order with that in the same periods in the past 3 years? What are the changes?

Asked by: Hon CHAN Pierre (LegCo internal reference no.: 27)

Reply:

1. The numbers of cases of local illegal activities involving duty-not-paid cigarettes and the quantities of duty-not-paid cigarettes detected by C&ED from 2016 to 2018 are as follows:

Year	2016	2017	2018
Number of cases	8 287	7 944	13 573
Quantity of duty-not-paid cigarettes (million sticks)	62	60	53

2. C&ED has been rigorously combating illicit cigarette activities. No noticeable impact on illicit cigarette activities has been observed since the implementation of the Smoking (Public Health) (Notices) (Amendment) Order 2017 in December 2017. C&ED will continue to closely monitor the market and take resolute enforcement actions against illicit cigarette activities.

- End -



**CONTROLLING OFFICER'S REPLY****FSTB(Tsy)004****(Question Serial No. 2637)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ( )Programme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

In 2018, the number of “persons compounded for offences relating to illicit cigarettes” increased significantly to 11 000, representing an upsurge of 74.7% as compared with 2017. In this regard, please inform this Committee:

- A. of the respective numbers of “persons compounded for offences relating to illicit cigarettes” at various control points in the past 3 years;
- B. of the total amounts of fines imposed on the persons concerned; and
- C. whether the Customs and Excise Department (C&ED) consider the “compounding” action will make the incoming passengers misconceive that they will only be fined for carrying excessive quantity of duty-not-paid cigarettes? Will C&ED change its strategy and prosecute the persons concerned as a warning to others?

Asked by: Hon CHEUNG Wah-fung, Christopher (LegCo internal reference no.: 6)

Reply:

- A. & B. In the past 3 years, the numbers of “persons compounded for offences relating to illicit cigarettes” and the amounts of fines imposed are as follows:

	2016		2017		2018	
	Number of persons	Amount of fines (\$ million)	Number of persons	Amount of fines (\$ million)	Number of persons	Amount of fines (\$ million)
Hong Kong International Airport	4	0.1	7	0.05	7	0.08
Land boundary and railway control points	6 075	26.92	5 881	25.68	10 505	44.32
Ferry terminal control points	637	2.91	500	2.27	647	2.96
Total	6 716	29.93	6 388	28.00	11 159	47.36

- C. According to the Dutiable Commodities Ordinance (Cap. 109) (“the Ordinance”), incoming passengers who fail to declare to a C&ED officer the quantity of dutiable goods in their possession which exceeds the exempted quantity commit an offence and are liable to criminal prosecution. C&ED may also impose compound penalty under the Ordinance. When determining whether the case should be handled by means of compound penalty, C&ED officers will assess the facts of the case, and consider factors such as the amount of duty involved and whether the person involved has violated the Ordinance before, etc.

C&ED has continued to step up random checks on incoming passengers at control points and adopt risk management, and will closely monitor the trend and review enforcement strategies regularly in order to combat the relevant activities.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)005**

**(Question Serial No. 1095)**

Head: (31) Customs and Excise Department

Subhead (No. & title): ( )

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Hong Kong ranks among the top four positions for the 4th consecutive year in Asia for its persistent and rampant illicit cigarette smuggling activities. Although a fairly large number of smokers have switched to heat-not-burn cigarettes in recent years, illicit cigarette activities continue to grow, causing enormous loss in tax revenue to the Hong Kong Government. In order to improve air quality and safeguard public health, will the Government advise this Committee of the following:

1. Have the relevant departments assessed the share of illicit cigarettes in the cigarette market of Hong Kong?
2. What specific measures will the relevant departments take to prevent the rampant illicit cigarette activities from undermining the Government's anti-smoking efforts?
3. Quite a large number of illicit cigarette syndicates are controlled by triads. From the point of view of crime fighting, taking stringent measures to combat illicit cigarette activities is the only effective way to cut off the source of funding for triads and to reduce crime rate in Hong Kong. Will the Government step up actions to combat illicit cigarette activities, such as increasing the imprisonment term and penalty, and recovering punitive tax on cigarettes so as to strengthen the deterrent effect of the legislation?

Asked by: Hon HO Kwan-yiu, Junius (LegCo internal reference no.: 16)

Reply:

1. The Customs and Excise Department (C&ED) has all along been committed to combating illicit cigarette activities by adopting a holistic enforcement strategy, i.e. intercepting smuggling in the upper stream, smashing storehouses in the middle, and tackling selling activities in the lower end. In 2018, C&ED seized approximately 53 million sticks of illicit cigarettes in local illegal activities, representing a reduction of 12% as compared with 2017. The number of public complaints received by C&ED regarding illicit cigarettes also decreased by 12% as compared with 2017.

2. Apart from taking stringent law enforcement actions against illicit cigarette activities, C&ED continues to step up publicity and public education, reinforce the programme of “Joint Effort with Community against Illicit Cigarettes” and strengthen co-operation with community partners, estate management companies, front-line staff, etc. with a view to combating illicit cigarette activities.
  
3. Illicit cigarette smuggling is a serious crime. Pursuant to the Import and Export Ordinance (Cap. 60), any person who imports any unmanifested cargo (including illicit cigarettes) shall be guilty of an offence and liable to a maximum penalty of a fine of \$2 million and imprisonment for 7 years. Besides, pursuant to the Dutiable Commodities Ordinance (Cap. 109), any person who has in his possession, sells, buys or in any way deals with dutiable commodities shall be guilty of an offence and liable to a maximum penalty of a fine of \$1 million and imprisonment for 2 years. C&ED can also invoke the Organised and Serious Crimes Ordinance (Cap. 455) to take prosecution actions as appropriate, and freeze or confiscate the proceeds of crime involving illicit cigarette activities.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)006**

**(Question Serial No. 2266)**

Head: (31) Customs and Excise Department

Subhead (No. & title): ( )

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

As indicated in Matters Requiring Special Attention in 2019-20, the Customs and Excise Department (C&ED) will combat smuggling of illicit cigarettes. Please inform this Committee of:

1. the staff establishment and expenditure involved;
2. the quantity of illicit cigarettes successfully seized in 2018-19; and
3. the number of times of working with overseas Customs administrations in 2018-19 and the effectiveness of the cooperation.

Asked by: Hon QUAT Elizabeth (LegCo internal reference no.: 168)

Reply:

1. In 2018-19, C&ED has an establishment of 61 officers dedicated to combating illicit cigarette activities and the expenditure involved is approximately \$24.98 million.
2. In 2018, C&ED seized a total of 53 million sticks of cigarettes in the actions against illicit cigarette smuggling in Hong Kong.
3. C&ED has been working closely with overseas law enforcement agencies in combating transnational cigarette smuggling activities through intelligence exchange. Under the initiative of the World Customs Organization, a monitoring and notification system has been set up by C&ED and 23 Customs administrations in the Asia Pacific Region. The system enables members to effectively monitor and combat cross-border cigarette smuggling activities through mutual exchange of information on cigarette export. Moreover, C&ED conducted numerous joint operations with the Mainland Customs at various land boundary control points in 2018 and detected a total of 40 cases involving duty-not-paid cigarettes.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)007**

**(Question Serial No. 0148)**

Head: (31) Customs and Excise Department

Subhead (No. & title): ( )

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The numbers of illicit fuel filling stations neutralised were 2 in 2017 and 0 in 2018. In this connection, will the Government advise of the following:

1. Is the decrease in the number of illicit fuel filling stations neutralised related to the decline in sales activities of illicit fuel? If yes, what are the details? If no, what are the reasons? and
2. Will the Customs and Excise Department (C&ED) cooperate with the Fire Services Department (FSD) in law enforcement? If yes, what are the details? If no, what are the reasons?

Asked by: Hon SHEK Lai-him, Abraham (LegCo internal reference no.: 31)

Reply:

C&ED has all along been committed to combating illicit fuel activities. It deploys its staff to conduct inspections from time to time and takes resolute enforcement actions. The continuous enforcement actions over the years have achieved the deterrent effect, resulting in a noticeable decline of such activities. C&ED will continue to monitor the situation to protect duty revenue. In addition, C&ED has maintained close collaboration with FSD to combat illicit fuel activities through intelligence exchange and joint operations.

- End -

**CONTROLLING OFFICER'S REPLY****FSTB(Tsy)087****(Question Serial No. 4749)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ( )Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the sales figures of duty-free cigarettes, tobacco and cigars in duty free shops at the entry and exit points in Hong Kong in the past 3 years, and the sales values of each of the above duty-free tobacco products.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 326)Reply:

In the past 3 years, the sales figures of duty-free cigarettes, tobacco and cigars in duty free shops at the entry and exit points in Hong Kong are as follows:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Cigarettes (million sticks)	4 138	3 775	3 646
Tobacco (kg)	13 006	12 926	12 482
Cigars (kg)	23 580	21 849	16 261

The Customs and Excise Department does not maintain data on the sales values of duty-free tobacco products.

- End -

**CONTROLLING OFFICER'S REPLY****FSTB(Tsy)088****(Question Serial No. 4750)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ( )Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in table form the respective quantities of illicit cigarettes, heat-not-burn (HNB) cigarettes, e-cigarettes, tobacco and cigars seized, the numbers of cases detected and the numbers of persons arrested by the Customs and Excise Department (C&ED) in the past 3 years, and the total market values and total dutiable values of each of the above illicit tobacco products.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 327)Reply:

The relevant information on local illegal activities involving illicit cigarettes (including HNB cigarettes), tobacco and cigars detected by C&ED from 2016 to 2018 is as follows:

(i) Illicit cigarettes (including illicit HNB cigarettes)

<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of cases	8 287 [0]	7 944 [130]	13 573 [972]
Number of persons arrested	8 355 [0]	7 986 [131]	13 036 [427]
Quantity (million sticks)	62 [0]	60 [0.74]	53 [8]
Total value (\$ million)	167 [0]	160 [2]	142 [22]
Total dutiable value (\$ million)	119 [0]	115 [1.4]	101 [15]



Information on illicit HNB cigarettes is provided in square brackets in the above table. Under the Dutiable Commodities Ordinance (Cap. 109), tobacco is a dutiable commodity. Any “HNB tobacco products” containing tobacco are dutiable commodities subject to the regulation of the Dutiable Commodities Ordinance. On 20 February 2019, the Government introduced into the Legislative Council the Smoking (Public Health) (Amendment) Bill 2019 (the Bill) to ban the import, manufacture, sale, distribution and advertisement of alternative smoking products, including HNB tobacco products. If the Bill is passed, the tobacco component of HNB tobacco products will be excluded as a dutiable commodity.

Separately, e-cigarettes do not contain tobacco. Therefore, they are not dutiable commodities and no dutiable value is involved.

(ii) Illicit tobacco

<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of cases	50	44	88
Number of persons arrested	42	36	80
Quantity (kg)	110	19 700	7 600
Total value (\$ thousand)	35	9,000	21,000
Total dutiable value (\$ thousand)	160	45,500	17,500

(iii) Illicit cigars

<b>Year</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of cases	71	94	129
Number of persons arrested	70	88	124
Quantity (kg)	13	180	40
Total value (\$ thousand)	81	1,800	290
Total dutiable value (\$ thousand)	31	447	100

- End -

**CONTROLLING OFFICER'S REPLY****FSTB(Tsy)089****(Question Serial No. 5188)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ( )Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Please set out in tabular form the quantities, total sales values and total dutiable values of duty-paid cigarettes, tobacco and cigars sold within Hong Kong in the past 3 years.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 328)Reply:

In the past 3 years, the quantities of duty-paid cigarettes, tobacco and cigars sold within Hong Kong, and the total amounts of duty collected by the Customs and Excise Department (C&ED) on dutiable tobacco products are as follows:

	<b>2016</b>	<b>2017</b>	<b>2018</b>
Cigarettes (million sticks)	3 334	3 268	3 285
Tobacco (kg)	8 612	8 646	7 962
Cigars (kg)	18 027	21 919	28 680
Total amount of duty collected from dutiable tobacco products (\$ million)	6,413	6,299	6,349

C&ED does not maintain data on the sales values of duty-paid tobacco products.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)090**

**(Question Serial No. 5189)**

Head: (31) Customs and Excise Department

Subhead (No. & title): ( )

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Please set out in table form the respective quantities of cigarettes, heat-not-burn (HNB) cigarettes, e-cigarettes, tobacco and cigars brought into Hong Kong at entry and exit points and declared at Red Channels by incoming travellers, as well as the total dutiable values of the above tobacco products in the past 3 years.

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 330)

Reply:

In the past 3 years, the quantities of tobacco products (i.e. cigarettes (including HNB cigarettes), cigars and tobacco) brought into Hong Kong at entry and exit points and declared by incoming travellers, as well as their dutiable values are as follows:

	Cigarettes (including HNB cigarettes) <sup>Note</sup>		Cigars		Tobacco	
	Sticks (million)	Dutiable value (\$ million)	Kg	Dutiable value (\$ '000)	Kg	Dutiable value (\$ '000)
2016	2.386	4.548	270	663	50	76
2017	3.46	6.596	400	982	100	193
2018	4.191	7.988	500	1,228	150	212

Note: Under the Dutiable Commodities Ordinance (Cap. 109), tobacco is a dutiable commodity. Any “HNB tobacco products” containing tobacco are dutiable commodities subject to the regulation of the Dutiable Commodities Ordinance. On 20 February 2019, the Government introduced into the Legislative Council the Smoking (Public Health) (Amendment) Bill 2019 (the Bill) to ban the import, manufacture, sale, distribution and advertisement of alternative smoking products, including HNB tobacco products. If the Bill is passed, the tobacco component of HNB tobacco products will be excluded as a dutiable commodity.

Separately, e-cigarettes do not contain tobacco. Therefore, they are not dutiable commodities and no dutiable value is involved.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(Tsy)091**

**(Question Serial No. 5070)**

Head: (31) Customs and Excise Department

Subhead (No. & title): ( )

Programme: (1) Control and Enforcement and (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. How many officers will be deployed by the Customs and Excise Department (C&ED) at various control points in Hong Kong to intercept dutiable commodities and what is the estimated provision involved in 2019-2020?
2. What were the actual quantities of illicit cigarettes seized by C&ED at various control points, the numbers of officers and the actual expenditures involved in the past 5 years? How many officers will be deployed by C&ED to combat illicit cigarette activities and what are the details of expenditure in 2019-2020?
3. What were the numbers of cases of selling illicit cigarettes through telephone ordering detected, quantities of illicit cigarettes seized and numbers of persons arrested by C&ED in the past 5 years? What are the estimated provision and number of officers to be deployed for combating telephone ordering of illicit cigarettes by C&ED in 2019-2020?

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 105)

Reply:

1. In 2019-20, the expenditure for the work under Programme (1) Control and Enforcement carried out by C&ED is about \$3.869 billion, involving 5 978 posts. Since the front-line officers deployed at various entry and exit points are also tasked with clearance duties, C&ED cannot separately quantify the number of officers and the estimated expenditure involved in intercepting dutiable commodities.
2. The quantities of illicit cigarettes seized by C&ED at various control points from 2014 to 2018 are as follows:

	2014	2015	2016	2017	2018
Quantity of illicit cigarettes (million sticks)	38.3	38.4	50.9	44.2	31.9

Since the front-line officers deployed at various entry and exit points are also tasked with clearance duties, C&ED cannot separately quantify the number of officers and the expenditure involved in intercepting illicit cigarettes.

Apart from intercepting illicit cigarettes at boundary control points, C&ED is also committed to combating the storage, distribution and peddling (including telephone ordering) of illicit cigarettes. In 2019-20, C&ED will continue to deploy 61 officers to combat illicit cigarette activities, involving an expenditure of approximately \$24.98 million.

3. The relevant information regarding cases of telephone ordering of illicit cigarettes detected by C&ED in the past 5 years is tabulated below:

	2014	2015	2016	2017	2018
Number of cases	318	452	428	426	412
Quantity of illicit cigarettes seized (million sticks)	3	1.4	3.8	4.6	5
Number of persons arrested	329	465	441	439	417

In 2019-20, among the aforesaid 61 officers deployed to combat illicit cigarette activities, 26 are specialised in combating telephone ordering of illicit cigarettes, involving an expenditure of about \$10.67 million.

- End -

**CONTROLLING OFFICER'S REPLY****FSTB(Tsy)092****(Question Serial No. 6899)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ( )Programme: (4) Revenue Protection and CollectionControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Financial Services and the TreasuryQuestion:

Regarding the measures to facilitate driving for eligible disabled persons, will the Government please provide the following information:

1. The quantities of fuel involved and the loss of tax revenue in waiving the duty payable on hydrocarbon oil for disabled persons in the past 5 years;
2. The numbers of prosecutions and convictions for abusing duty exemption of hydrocarbon oil for disabled persons in the past 5 years.

Asked by: Hon CHEUNG Chiu-hung, Fernando (LegCo internal reference no.: 7162)Reply:

1. The quantities of dutiable fuel and the amounts of duty involved in waiving the duty payable on hydrocarbon oil for disabled persons in the past 5 years are as follows:

	2014	2015	2016	2017	2018
Quantity of hydrocarbon oil (million litres)	1.69	1.68	1.70	1.76	1.71
Amount of duty involved (\$ million)	10.24	10.18	10.30	10.67	10.36

2. In the past 5 years, 2 persons involved in a case of abusing duty exemption of hydrocarbon oil for disabled persons were prosecuted by the Customs and Excise Department and convicted.

- End -

**CONTROLLING OFFICER'S REPLY**

**FSTB(FS)113**

**(Question Serial No. 7237)**

Head: (31) Customs and Excise Department

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

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

1. Please provide the numbers of money laundering cases detected by the Customs and Excise Department (C&ED) and the numbers of persons involved in the past 5 years.

Asked by: Hon CHAN Tanya (LegCo internal reference no.: 105)

Reply:

1. In the past 5 years, the numbers of money laundering cases detected by C&ED and the numbers of persons involved were as follows:

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Number of cases detected	2	3	11	6	7
Number of persons involved	5	7	24	17	11

- End -



**CONTROLLING OFFICER'S REPLY**

**FHB(FE)240**

**(Question Serial No. 2823)**

Head: (31) Customs and Excise Department

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

Programme: (5) Trade Controls

Controlling Officer: Commissioner of Customs and Excise (Hermes TANG)

Director of Bureau: Secretary for Food and Health

Question:

There was a decrease in the amount of administrative penalties imposed by the Customs and Excise Department in relation to import and export declarations in 2018 as compared with 2017. Please inform this Committee of:

1. the numbers of cases in which a fine was imposed for contravention of the Import and Export (General) (Amendment) Regulation 2013 (commonly known as the “export control on powdered formulae”) broken down by month from 2016 to 2018 as well as the total amounts of fines involved;
2. the number of cases with imposition of fines ended up in default of fine payment in 2018 as well as the total amount of fines in default;
3. the types of document of identity (e.g. Hong Kong Permanent Identity Card, “one trip per week” Individual Visit Endorsements, endorsements for group visit, etc.) the defendants held in cases of default of fine payment;
4. how the Government normally handles cases of default of fine payment as well as the expenditure involved.

Asked by: Hon FAN Kwok-wai, Gary (LegCo internal reference no.: 6)

Reply:

1. The numbers of cases in which a fine was imposed by the courts for contravention of the Import and Export (General) (Amendment) Regulation 2013 and the amounts of fines involved with breakdown by month from 2016 to 2018 are tabulated below:

2016

Month Imposed	Number of Cases	Amount of Fines
January	281	\$1,107,400
February	200	\$734,700
March	302	\$1,321,500
April	246	\$961,000
May	273	\$1,107,300

Month Imposed	Number of Cases	Amount of Fines
June	284	\$1,030,300
July	249	\$909,600
August	294	\$1,059,800
September	312	\$1,104,300
October	313	\$1,092,900
November	314	\$1,195,500
December	311	\$1,076,500
Whole Year	3 379	\$12,700,800

2017

Month Imposed	Number of Cases	Amount of Fines
January	272	\$960,600
February	224	\$795,900
March	346	\$1,215,000
April	261	\$877,800
May	258	\$905,700
June	321	\$1,072,966
July	376	\$1,327,450
August	385	\$1,326,500
September	345	\$1,192,400
October	310	\$1,056,700
November	364	\$1,249,200
December	297	\$1,007,400
Whole Year	3 759	\$12,987,616

2018

Month Imposed	Number of Cases	Amount of Fines
January	358	\$1,221,100
February	202	\$671,700
March	300	\$1,001,500
April	267	\$897,300
May	293	\$1,297,700
June	342	\$1,129,200
July	340	\$1,132,100
August	391	\$2,094,600
September	310	\$1,041,300
October	343	\$1,112,900
November	372	\$1,179,200
December	307	\$988,500
Whole Year	3 825	\$13,767,100

2. & 3. The Judiciary does not have the relevant breakdown figures.

4. A magistrate may issue a summons or a warrant of arrest to any person who fails to pay a fine. However, it is difficult to separately quantify the expenditure on handling such cases.

- End -

**CONTROLLING OFFICER'S REPLY****FHB(FE)450****(Question Serial No. 5581)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (000) Operational expensesProgramme: (5) Trade ControlsControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Food and HealthQuestion:

Regarding the amount of administrative penalties imposed by the Customs and Excise Department in relation to import and export declarations in 2018:

1. Please list the numbers of cases in which a fine was imposed for contravention of the Import and Export (General) (Amendment) Regulation 2013 (commonly known as the "export control of powdered formulae") broken down by month in 2018 as well as the total amounts of fines involved.
2. What were the number of cases with imposition of fines ended up in default of fine payment in 2018 as well as the total amount of fines in default?
3. What were the types of document of identity (e.g. Hong Kong Permanent Identity Card, "multiple-entry" Individual Visit Endorsements, etc.) the defendants held in cases of default of fine payment?
4. How does the Government normally handle cases of default of fine payment and what is the expenditure involved?

Asked by: Hon CHAN Chi-chuen (LegCo internal reference no.: 412)Reply:

1. The numbers of cases in which a fine was imposed by the courts for contravention of the Import and Export (General) (Amendment) Regulation 2013 and the amounts of fines involved with breakdown by month in 2018 are tabulated below:

Month Imposed	Number of Cases	Amount of Fines
January	358	\$1,221,100
February	202	\$671,700
March	300	\$1,001,500
April	267	\$897,300
May	293	\$1,297,700
June	342	\$1,129,200

Month Imposed	Number of Cases	Amount of Fines
July	340	\$1,132,100
August	391	\$2,094,600
September	310	\$1,041,300
October	343	\$1,112,900
November	372	\$1,179,200
December	307	\$988,500
Whole Year	3 825	\$13,767,100

2. & 3. The Judiciary does not have the relevant breakdown figures.

4. A magistrate may issue a summons or a warrant of arrest to any person who fails to pay a fine. However, it is difficult to separately quantify the expenditure on handling such cases.

- End -

**CONTROLLING OFFICER'S REPLY****FHB(FE)451****(Question Serial No. 7275)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): (-)-Programme: (5) Trade ControlsControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Food and HealthQuestion:

What were the respective numbers of complaints received concerning the smuggling of powdered formulae, and prosecutions and convictions for contravention of the "export control of powdered formulae" in the past 3 years?

Asked by: Hon CHAN Pierre (LegCo internal reference no.: 2)Reply:

The numbers of allegations received by the Customs and Excise Department concerning the smuggling of powdered formulae in the past 3 years are as follows:

	2016	2017	2018
Number of allegations	243	143	111

The numbers of prosecutions and convictions for contravening the "export control of powdered formulae" in the past 3 years are as follows:

	2016	2017	2018
Number of prosecutions	3 830	3 848	3 863
Number of convictions	3 802	3 833	3 843

- End -

**CONTROLLING OFFICER'S REPLY****FHB(FE)452****(Question Serial No. 6309)**Head: (31) Customs and Excise DepartmentSubhead (No. & title): ()Programme: (1) Control and EnforcementControlling Officer: Commissioner of Customs and Excise (Hermes TANG)Director of Bureau: Secretary for Food and HealthQuestion:

Will the Department please set out in table form the following figures by control point in the past 3 years:

the respective numbers of cases, prosecutions and convictions related to contravention of the “export control of powdered formulae”, and the quantities of powdered formulae involved.

Asked by: Hon KWOK Ka-ki (LegCo internal reference no.: 82)

Reply:

The numbers of prosecutions and convictions for contravening the “export control of powdered formulae” in the past 3 years are as follows:

2016

	Number of prosecutions	Number of convictions
Lok Ma Chau Spur Line Control Point	2 254	2 231
Lo Wu Control Point	1 257	1 252
Shenzhen Bay Control Point	255	255
Lok Ma Chau Control Point	17	17
Sha Tau Kok Control Point	22	22
Man Kam To Control Point	23	23
Outside boundary control points	2	2
Total	3 830	3 802
Quantity of powdered formulae involved (kg)	32 494	32 212

2017

	Number of prosecutions	Number of convictions
Lok Ma Chau Spur Line Control Point	2 323	2 319
Lo Wu Control Point	1 407	1 397
Shenzhen Bay Control Point	94	94
Lok Ma Chau Control Point	8	8
Sha Tau Kok Control Point	8	8
Man Kam To Control Point	6	6
Hung Hom Through Train Station	1	1
Outside boundary control points	1	0
Total	3 848	3 833
Quantity of powdered formulae involved (kg)	15 977	15 980

2018

	Number of prosecutions	Number of convictions
Lok Ma Chau Spur Line Control Point	2 444	2 435
Lo Wu Control Point	1 363	1 352
Shenzhen Bay Control Point	16	15
West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link	12	12
Lok Ma Chau Control Point	12	12
Sha Tau Kok Control Point	9	9
Man Kam To Control Point	6	6
Outside boundary control points	1	2
Total	3 863	3 843
Quantity of powdered formulae involved (kg)	26 055	25 960

- End -