

CONTROLLING OFFICER'S REPLY

SB131

(Question Serial No. 0189)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

1. Regarding the expenditure and effectiveness of inspection of goods vehicles at land boundary control points conducted by the Customs and Excise Department and relevant government departments against smuggling activities, please inform this Committee of the following:

(a) the respective expenditure incurred by the Government for technological investment and equipment for staff for the inspection of goods vehicles at land boundary control points in the past 3 years;

(b) Please list the number of smuggling cases detected, the total value of seizures and the major category of goods involved in the past 3 years;

(c) Please list the number of successful prosecutions, the number of persons convicted, the average fines and the average terms of imprisonment in respect of smuggling cases in the past 3 years;

(d) Given that the modus operandi of concealing smuggled items among ordinary goods has persisted, are there currently sufficient enforcement resources and technology to cope with such phenomenon?

(e) In the light of the proposal in the 2026-27 Budget to empower public services through artificial intelligence (AI), is there any provision earmarked for enhancing the effectiveness of goods vehicle inspection through technology (for instance, in Hainan, rapid inspections through X-ray transmission imaging technology and intelligent image analysis technology can be conducted without requiring vehicles to stop)? If yes, what are the estimated expenditures and the expected effectiveness? If not, what are the reasons?

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 9)

Reply:

(a) The resources involved in technological investment and equipment for staff for the Customs and Excise Department (C&ED) to combat smuggling activities at land boundary control points have been included in the general operating expenditure. C&ED does not maintain a breakdown of such expenditures.

(b)&(c) The number of smuggling cases detected by C&ED at land boundary control points, the total value of seizures, the number of prosecutions, the number of persons prosecuted and the penalties in the past 3 years are tabulated below:

	2023	2024	2025
Number of cases detected	128	111	114
Value of seizures (\$ million) (HKD)	192	128	153
Number of prosecutions#	66	53	45
Number of persons/ companies prosecuted#	74	59	53
Penalties^	A fine of \$500 to \$40,000 and an imprisonment of 28 days to 9 months	A fine of \$2,000 to \$100,000 and an imprisonment of 12 days to 10 months	A fine of \$2,000 to \$50,000 and an imprisonment of 42 days to 24 months

Note: The above cases involved unmanifested cargoes under the Import and Export Ordinance, excluding cases referred to other government departments for follow-up actions, such as those involving alternative smoking products, endangered species and regulated food, etc.

Cases with prosecutions instituted during the year.

^ Cases convicted during the year.

The seized items mainly belonged to the category of electrical and electronic products (including mobile phones, computers and accessories).

(d)&(e) C&ED will continue to spare no effort in taking forward the Smart Customs development to enhance its detection capabilities and clearance efficiency. C&ED has made use of artificial intelligence (AI) and big data analytics to facilitate risk management, and has fully deployed advanced non-intrusive inspection equipment, such as the Gantry Type X-Ray Vehicle Inspection Systems, Mobile X-Ray Vehicle Scanning Systems, Computed Tomography Scanners with AI functions, auto-detection devices for X-ray checkers, Smart Under Vehicle Robots, etc. in the inspection and clearance of cargoes and vehicles at various boundary control points. C&ED will continue to keep in view the latest technologies and equipment, and remains open to new technologies that meet actual needs.

- End -

CONTROLLING OFFICER'S REPLY

SB132

(Question Serial No. 1311)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (2) Anti-narcotics Investigation

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

The quantity of poisons/antibiotics seized by the Customs and Excise Department in 2025 amounted to 12 534.9 kilograms, representing a drastic increase of 14.8-fold, or 11 745.1 kilograms, from 789.8 kilograms in 2024. Will the Government provide details of the large quantity of poisons/antibiotics seized in 2025, including the following:

1. How was the large quantity of poisons/antibiotics seized?
2. What types of poisons/antibiotics were seized and what were they used for?
3. Were the poisons/antibiotics for use in Hong Kong or were they illegally transhipped through Hong Kong to other places?
4. Were the poisons/antibiotics involved in other criminal activities?

Asked by: Hon IP Ngo-tung, Chris (LegCo internal reference no.: 25)

Reply:

1. The import or export of pharmaceutical products requires application of an Import Licence or Export Licence from the Department of Health, and the relevant policy falls under the purview of Health Bureau. The surge in quantity of the poisons/antibiotics seized in 2025 was mainly due to the detection of two large-scale sea smuggling cases by the Customs and Excise Department (C&ED) in May and June 2025, in which 10 499.1 kilograms of nicotine and 703.5 kilograms of sildenafil without Import Licence / Export Licence issued by the Department of Health were seized respectively, accounting for about 90% of the poisons/antibiotics seized during the year.

2. In 2025, C&ED detected a number of poisons/antibiotics cases. The main type of poisons/antibiotics seized was nicotine (11 223.7 kilograms), which accounted for about 89.5% of the seizure of the year, followed by sildenafil (959.6 kilograms), which accounted for about 7.7% of the seizure of the year. Nicotine is mainly used as a central nervous system stimulant commonly found in tobacco products, whereas sildenafil is a clinical prescription mainly used for the treatment of male sexual dysfunction.

3. Some of the poisons/antibiotics seized were for personal use in Hong Kong, while some might have been transhipped through Hong Kong to other places.

4. So far, C&ED has found no indication that the poisons/antibiotics seized are involved in other criminal activities.

- End -

CONTROLLING OFFICER'S REPLY

SB133

(Question Serial No. 2580)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

An Automated Private Car Clearance System will be developed to provide seamless clearance service for cross-boundary private cars in 2026-27. What are the details of the system? What is the current development progress? How much clearance time is expected to be reduced for cross-boundary private cars? What is the breakdown of expenditure for the system? When is the system expected to come into service?

Asked by: Hon IP Ngo-tung, Chris (LegCo internal reference no.: 26)

Reply:

To align with the development of Smart Customs and to cater for the increasing cross-boundary private vehicle traffic, the Customs and Excise Department (C&ED) has been developing an Automated Private Car Clearance System (the system) since 2025. Through the use of smart hardware and automation technology, the system is equipped with computer-controlled automatic drop-arm barriers and high-definition cameras capable of reading licence plates of vehicles from Guangdong, Hong Kong and Macao to assist frontline Customs officers in vehicle clearance. During the pilot run of the system, C&ED can handle a larger volume of clearance work with the same level of manpower in coping with the increasingly heavy flow of cross-boundary private cars.

C&ED has carried out a pilot run of the system at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port since January 2026, and will gradually extend the system to other land boundary control points, with completion scheduled for 2027. The system development and pilot run have been carried out by C&ED with existing manpower and resources, which have been included in the general operating expenditure; a breakdown of expenditure is not available.

- End -

CONTROLLING OFFICER'S REPLY

SB134

(Question Serial No. 0725)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

With regard to the operational expenses in 2026-27, the Customs and Excise Department (C&ED) will see a net decrease of 169 non-directorate posts and two directorate posts. According to the analysis of staffing provision on page 153, there will be a substantial decrease of 135 posts under Programme (1), as well as the deletion of a number of posts under the other four programmes. In this connection, please inform this Committee of:

1. the two directorate posts to be deleted and their duties;
2. the departments affected by the deletion of posts and their nature of work under the 5 programmes, the corresponding measures to be taken in order to mitigate the impact on law enforcement work caused by the deletion of posts, and whether there is room for further post deletion;
3. in response to the Budget's proposal to promote artificial intelligence (AI), how C&ED will make use of AI to enhance its enforcement capabilities.

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 6)

Reply:

1&2. The Government has been strictly controlling the civil service establishment and, has implemented the zero-growth policy in the overall civil service establishment since 2021-22, with the overall establishment controlled at a level not exceeding that as at end-March 2021. In line with the Government's Productivity Enhancement Programme and the objective of optimising the use of manpower resources, the civil service establishment will be reduced by 2% annually in 2026-27 and 2027-28. It is anticipated that by 1 April 2026, the civil service establishment will be reduced to about 188 000 posts, with a reduction of over 10 000 posts within this term of Government on a cumulative basis.

To align with the Government's arrangement for reducing the civil service establishment by 2% in 2026-27 as mentioned above, the Customs and Excise Department (C&ED), after reviewing such factors as the overall service demand, operational needs and vacancy situations, will delete a total of 171 posts in 2026-27. Among these, about 84% are junior-ranking civil service posts (generally within the range of Master Pay Scale (MPS) Point 0 to

15; about 12% are middle-ranking posts (generally within the range of MPS Point 16 to 33); and about 4% are senior-ranking posts (generally within the range of MPS Point 34 to 49 and the Directorate Pay Scale). The posts to be deleted are mainly of administrative and supportive nature, including time-limited posts which will lapse upon expiry, as well as posts to be deleted due to internal restructuring or redeployment of resources. C&ED will continue to adopt management measures and digitalisation with a view to enhancing efficiency through re-prioritisation, internal redeployment, streamlining of work processes and application of technology. While the civil service is being further streamlined, C&ED will ensure that frontline enforcement and boundary control operations remain unaffected as it continues to deliver high-quality public services to the community.

As regards the two directorate posts to be deleted by C&ED in 2026-27, both are at the rank of Assistant Commissioner of Customs and Excise. One of them is a time-limited directorate post created to support C&ED's role as the World Customs Organization Vice-Chairperson for the Asia/Pacific Region from 2024 to 2026, responsible for leading the Secretariat Office and co-ordinating related international customs affairs. The time-limited post will lapse without extension upon its expiry at the end of June 2026. The other Assistant Commissioner post, originally planned to be responsible for the regulation and enforcement work relating to the enhanced protection of consumer rights and interests, was not created as planned in view of the actual circumstances of the work. C&ED will continue to flexibly deploy existing resources to meet the overall operational needs.

3. C&ED will continue to spare no effort in taking forward the Smart Customs development to enhance its enforcement capabilities. C&ED has made use of artificial intelligence (AI) and big data analytics to facilitate risk management, and has deployed advanced inspection equipment, such as Computed Tomography Scanners with AI functions etc., to prevent and detect prohibited/controlled items from being illegally brought into and out of Hong Kong. Meanwhile, C&ED has introduced an AI-powered Video Analytics System (currently known as Hong Kong Customs "WiseShield") to strengthen the identification of high-risk individuals involved in smuggling and enhance clearance efficiency and enforcement accuracy.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0755)

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 (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

Regarding item 803 “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 and Shenzhen Bay Control Point” under Sub-head 603 of the Capital Account, there is a remaining balance of \$67.7 million. Given the cessation of cargo vehicle clearance service at Lok Ma Chau Control Point at the end of last year and the suspension of cargo clearance at Sha Tau Kok Control Point since August last year due to redevelopment, please brief this Committee on the following:

1. How will the remaining resources be redistributed? Apart from Shenzhen Bay Control Point as mentioned in the brief description, will such resources be allocated to the Hong Kong-Zhuhai-Macau Bridge which also provides round-the-clock clearance service and other control points with cargo clearance service? If not, have the equipment upgrades been completed or are there any other funding arrangements?
2. Since the Huanggang Port (Lok Ma Chau Control Point) now only provides passenger clearance service, will those several goods vehicle kiosks connecting the Futian Free Trade Zone which are still available continue to operate? Will the aforesaid resources be allocated to such kiosks for equipment upgrades?

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 30)

Reply:

1. The remaining balance of \$67.7 million under the item “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 and Shenzhen Bay Control Point” will be allocated in phases to replace and enhance the Automatic Vehicle Clearance Support System at Lok Ma Chau Control Point (goods vehicle kiosks connecting the Futian Free Trade Zone), Man Kam To Control Point and Shenzhen Bay Control Point. The works of the entire item are scheduled for completion in 2028.

The facilities being upgraded under this item are located at earlier-built control points that have been in operation for over ten years. As Hong Kong-Zhuhai-Macau Bridge Control

Point and Heung Yuen Wai Control Point were commissioned more recently, there is currently no need for large-scale cargo clearance facility upgrades. C&ED will continue to review the need for equipment upgrades at various control points in a timely manner, so as to maintain efficient and convenient cargo clearance.

2. Following the cessation of cargo clearance at the Huanggang Port in Shenzhen on 21 December 2025, the corresponding control point in Hong Kong (Lok Ma Chau Control Point) currently not only provides passenger clearance service, but also maintains six goods vehicle kiosks connecting the Futian Free Trade Zone to provide clearance service for goods vehicles travelling to and from the Futian Free Trade Zone.

- End -

CONTROLLING OFFICER'S REPLY

SB136

(Question Serial No. 2542)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

Regarding the development of an Automated Private Car Clearance System to provide seamless clearance service for cross-boundary private cars as mentioned in Matters Requiring Special Attention in 2026-27, please advise on the following:

1. the difference between the system and the existing clearance procedures under the "Smart Crossing" Scheme of the Customs and Excise Department (C&ED), the implementation timetable for the system; whether the service is free of charge; whether the system has specific target users such as vehicles registered under the "Southbound Travel for Guangdong Vehicles" Scheme; and whether it will be implemented at a particular boundary control point or at all control points;
2. C&ED previously announced that there were around 11.9 million trips of inbound and outbound private vehicles crossing the land boundary control points last year. Please provide the numbers of private cars undergoing customs clearance, the respective changes in volume and the average time required for clearance at various control points in the past year; and
3. the anticipated reduction in clearance time for private cars under the aforesaid system.

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 3)

Reply:

1. The "Smart Crossing" Scheme (the scheme) is open to owners or drivers of cross-boundary private cars, who may voluntarily join the scheme, to facilitate vehicle clearance and enhance clearance efficiency at land boundary control points. The Automated Private Car Clearance System (the system) assists frontline officers of the Customs and Excise Department (C&ED) in vehicle clearance through high-definition cameras capable of reading licence plates of vehicles from Guangdong, Hong Kong and Macao, and computer-controlled automatic drop-arm barriers.

C&ED has carried out a pilot run of the system at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port since January 2026, and will gradually extend the system to other land boundary control points, with completion scheduled for 2027. The system is free of charge and is applicable to all cross-boundary private cars, including those registered under the “Southbound Travel for Guangdong Vehicles” Scheme.

2&3. The numbers of trips of inbound and outbound private cars at various land boundary control points and the respective changes in 2024 and 2025 are tabulated below:

Control Point	2024 (Total number of trips)	2025 (Total number of trips)	Changes
Hong Kong-Zhuhai-Macao Bridge Hong Kong Port	3 371 000	4 069 000	+21%
Lok Ma Chau	2 514 000	2 990 000	+19%
Man Kam To	101 000	118 000	+17%
Shenzhen Bay	3 077 000	3 927 000	+28%
Heung Yuen Wai	491 000	753 000	+53%

During the pilot run of the system, C&ED can handle a larger volume of clearance work with the same level of manpower in coping with the increasingly heavy flow of cross-boundary private cars. C&ED will review the system operation in a timely manner to enhance the overall effectiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0219)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

It is mentioned under the Programme that the Customs and Excise Department will continue to provide effective customs clearance service for passengers and private cars under the “Northbound Travel for Hong Kong Vehicles” Scheme and the “Southbound Travel for Guangdong Vehicles” Scheme at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, and is developing an Automated Private Car Clearance System to provide a seamless clearance experience. In this connection, will the Government inform this Committee of the following:

1. the concrete implementation timetable for the Automated Private Car Clearance System; the estimated expenditure involved in its research and development, and future operation and maintenance; and the specific new technologies to be introduced in the system in order to achieve the “seamless clearance” mentioned in the Programme;
2. whether the Government has set any specific key performance indicators upon the full implementation of the system, including the reduction in average clearance time for each cross-boundary private car, and the expected enhancement of the maximum daily vehicle handling capacity of the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port; and
3. Given that efficient clearance at control points is essential to promote the flow of people and commercial exchanges within the Guangdong-Hong Kong-Macao Greater Bay Area, has the Government proactively consulted the local business community, the logistics sector and frequent cross-boundary business travellers in designing and developing the above automated system, in order to ensure further enhancement of Hong Kong’s overall business environment and competitiveness?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 12)

Reply:

1. To align with the development of Smart Customs and to cater for the increasing cross-boundary private vehicle traffic, the Customs and Excise Department (C&ED) has been developing an Automated Private Car Clearance System (the system) since 2025. Through

the use of smart hardware and automation technology, the system is equipped with computer-controlled automatic drop-arm barriers and high-definition cameras capable of reading licence plates of vehicles from Guangdong, Hong Kong and Macao to assist frontline Customs officers in vehicle clearance.

C&ED has carried out a pilot run of the system at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port since January 2026, and will gradually extend the system to other land boundary control points, with completion scheduled for 2027. The system development and pilot run have been carried out by C&ED with existing manpower and resources, which have been included in the general operating expenditure; a breakdown of expenditure is not available.

2. During the pilot run of the system, C&ED can handle a larger volume of clearance work with the same level of manpower in coping with the increasingly heavy flow of cross-boundary private cars. C&ED will review the system operation in a timely manner to enhance the overall effectiveness.

3. The system is currently at its adaptation stage. C&ED has established a sound communication mechanism with the sectors and maintained close contact with them through regular meetings, and it will continue to enhance the system based on user experience.

- End -

CONTROLLING OFFICER'S REPLY

SB138

(Question Serial No. 0498)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

In 2026-27, the estimated “general departmental expenses” is HK\$1.343 billion, representing an increase of \$186 million, or about 16%, compared with the revised estimate of the previous year. This is partly due to the recurrent consequence arising from the full commissioning of the Three-Runway System. In this connection, will the Government inform this Committee of the following:

1. What are the specific details of the new recurrent operational expenses that the Customs and Excise Department (C&ED) has to undertake to cope with the full commissioning of the Three-Runway System?
2. Further to the above, as it is expected that the establishment will be reduced by 171 posts in 2026-27, has C&ED set aside sufficient manpower to meet the operational needs upon the full commissioning of the Three-Runway System? What are the specific arrangements for this?

Asked by: Hon LEE Kwong-yu (LegCo internal reference no.: 38)

Reply:

In 2026-27, there is an increase of \$186 million in the general departmental expenses of the Customs and Excise Department (C&ED), which includes provisions for supporting C&ED in providing customs clearance service for passengers at the passenger facilities of the Three-Runway System at the Hong Kong International Airport (HKIA).

Following the commissioning of the Three-Runway System and Terminal 2 at HKIA, the related passenger facilities will commence operations in phases based on passenger traffic demand. The first-phase operations of the expanded Terminal 2 are scheduled to commence on 27 May 2026. As the resources required for each phase vary, C&ED will review its manpower needs in a timely manner to ensure that there will be sufficient manpower to cope with the relevant work. In 2026-27, C&ED’s estimated expenditure under the Programme “Control and Enforcement” is \$4.86 billion, involving an estimated staffing provision of 6 023 posts. As carrying out customs clearance and enforcement work to facilitate efficient

cross-boundary passenger and cargo flows constitutes part of the work of the Department, it is difficult to quantify the expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

SB139

(Question Serial No. 0538)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

In 2026-27, the estimated job-related allowances under personal emoluments is HK\$40.193 million, which had been maintained at over HK\$40 million for three consecutive financial years. In this connection, will the Government inform this Committee of:

1. the names of different types of allowances covered by the above job-related allowances, and the amounts of each type of allowances in 2025-26; and
2. whether the above-mentioned allowances cover allowances for overtime work or additional commuting, etc.; if yes, please state the amounts and the applicable posts or scope of work.

Asked by: Hon LEUNG Tsz-wing, Dennis (LegCo internal reference no.: 53)

Reply:

1. The job-related allowances granted in accordance with the relevant Civil Service Regulations by the Customs and Excise Department in the 2025-26 financial year include Special Allowances and Extra Duties Allowances payable to disciplined services grade, amounting to approximately \$38.85 million; and Shift Duty Allowance, Typhoon Allowance and Rainstorm Black Warning Allowance payable for civilian grades only, amounting to approximately \$1.22 million.

2. The above allowances do not include allowances for overtime work or additional commuting, etc.

- End -

CONTROLLING OFFICER'S REPLY

SB140

(Question Serial No. 1334)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

The Customs and Excise Department has all along been applying risk management and intelligence exchange and analysis to combat various types of smuggling activities. It has also monitored and inspected passengers, cargoes and conveyances at various entry and exit points. However, it has been reported that many members of the public have illegally brought in regulated food from outside Hong Kong, and some even engaged in activities of cross-boundary purchase of such food. In this connection, will the Government advise on the following:

1. the number of cases involving members of the public and cross-boundary purchase activities illegally bringing regulated food into Hong Kong, as well as the number of persons prosecuted and the corresponding penalties imposed (by type of regulated food in table form) in each month of the past 3 years;
2. the manpower deployed and the recurrent expenditure involved for the related work; and
3. the new measures to be adopted to enhance inspection efficiency and effectiveness?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 9)

Reply:

1. Import requirements for food fall under the purview of the Environment and Ecology Bureau. The Centre for Food Safety of the Food and Environmental Hygiene Department (FEHD) is responsible for following up on suspected cases of illegal importation of regulated food referred by the Customs and Excise Department (C&ED). Having consulted FEHD, the number of prosecutions for contravention of the Imported Game, Meat, Poultry and Eggs Regulations (Cap. 132AK) in the past 3 years are set out below:

Number of prosecutions by month:

Month	2023		2024		2025	
	Number of non-compliance cases	Number of prosecutions (Note)	Number of non-compliance cases	Number of prosecutions (Note)	Number of non-compliance cases	Number of prosecutions (Note)
January	19	23	111	124	158	172
February	74	85	79	93	129	144
March	85	106	119	141	136	155
April	100	118	122	145	120	139
May	98	116	90	102	109	125
June	81	89	254	301	152	170
July	72	84	217	252	129	146
August	81	97	187	210	113	134
September	89	104	193	227	166	200
October	95	115	133	154	221	262
November	91	108	127	150	240	278
December	62	72	131	149	195	223
Total	947	1 117	1 763	2 048	1 868	2 148

Note: If a single non-compliance case involves more than one type of food, namely (1) meat and poultry, (2) eggs and (3) game, it constitutes breaches of different regulations under Cap. 132AK, and more than one prosecution shall be instituted accordingly.

Number of prosecutions (by type of regulated food) and information on penalties:

Type of food	2023	2024	2025
Meat and poultry	609	1 401	1 527
Eggs	459	551	517
Game	49	96	104
Total	1 117	2 048	2 148
Penalties	A fine of \$150 to \$4,000	A fine of \$200 to \$6,000	A fine of \$100 to \$10,000 (including one case with an imprisonment of one month)

2. In 2026-27, C&ED’s estimated expenditure under the Programme (1) “Control and Enforcement” is \$4.86 billion, involving an estimated number of 6 023 posts. As combating the illegal importation of regulated food constitutes part of the work of C&ED, it is difficult to quantify such expenditure separately.

3. C&ED has established a communication mechanism with major non-local cross-border electronic commerce (e-commerce) platforms for dedicated staff to conduct exchanges and step up compliance promotion, including explaining to the platforms the regulatory requirements of various types of items under the relevant Hong Kong legislation, as well as requiring strict compliance with the laws of Hong Kong for all the imports of controlled items.

If suspected controlled goods that could be delivered to Hong Kong are found to be sold on e-commerce platforms, C&ED will proactively contact the relevant e-commerce platforms and request for follow-up actions, such as requiring the platform operators to restrict the delivery of such items to Hong Kong.

C&ED has signed a Memorandum of Understanding with a non-local cross-border e-commerce platform to establish a closer co-operation framework for further strengthening compliance promotion. This includes notification of the latest legal and regulatory requirements in a timely manner, as well as assisting the e-commerce platform in training merchants to keep the latter abreast of the details of prohibited/controlled items in Hong Kong. C&ED is also actively discussing the signing of Memoranda of Understanding with other non-local e-commerce platforms to further safeguard public interest.

In addition, C&ED will continue to spare no effort in taking forward the Smart Customs development, improve different electronic customs clearance platforms, make use of big data analytics and artificial intelligence to facilitate risk management and continue to deploy advanced inspection equipment to enhance inspection efficiency and effectiveness.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 2449)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

According to the Customs and Excise Department (C&ED), it will develop an Automated Private Car Clearance System to provide seamless clearance service for cross-boundary private cars during 2026-27. In this connection, will the Government inform this Committee of:

1. the details of the proposed Automated Private Car Clearance System, including its implementation time, expected benefits, and estimated expenditure; and
2. how the seamless clearance service concerned differs from the existing clearance arrangements under the "Northbound Travel for Hong Kong Vehicles" Scheme and the "Southbound Travel for Guangdong Vehicles" Scheme?

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 19)

Reply:

1. To align with the development of Smart Customs and to cater for the increasing cross-boundary private vehicle traffic, the Customs and Excise Department (C&ED) has been developing an Automated Private Car Clearance System (the system) since 2025. Through the use of smart hardware and automation technology, the system is equipped with computer-controlled automatic drop-arm barriers and high-definition cameras capable of reading licence plates of vehicles from Guangdong, Hong Kong and Macao to assist frontline Customs officers in vehicle clearance. During the pilot run of the system, C&ED can handle a larger volume of clearance work with the same level of manpower in coping with the increasingly heavy flow of cross-boundary private cars.

C&ED has carried out a pilot run of the system at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port since January 2026, and will gradually extend the system to other land boundary control points, with completion scheduled for 2027. The system development and pilot run have been carried out by C&ED with existing manpower and resources, which have been included in the general operating expenditure; a breakdown of expenditure is not available.

2. The aforesaid system is applicable to all cross-boundary private cars, including those registered under the “Northbound Travel for Hong Kong Vehicles” Scheme and the “Southbound Travel for Guangdong Vehicles” Scheme.

- End -

CONTROLLING OFFICER'S REPLY

SB164

(Question Serial No. 3511)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Security

Question:

In recent years, some online shopping platforms in the Chinese Mainland have offered free delivery to Hong Kong, leading to a substantial increase in cross-boundary online purchases. Will the Government inform this Committee of the following:

1. Has the Customs and Excise Department (C&ED), in response to the increase in cross-boundary online purchases and consolidated consignments in recent years, allocated additional manpower at various control points to inspect relevant goods?
2. What was the number of contraband items seized by C&ED in the form of small postal packets in the past year?
3. As small postal packets are relatively scattered, it is more difficult for C&ED to inspect. Will the Department make use of advanced technology to assist in inspections? If yes, what are the details? If not, what are the reasons?
4. Will the departments concerned consider tackling the problem at source by liaising directly with online shopping platforms and courier/consolidator companies to prohibit the delivery of such contraband to Hong Kong?

Asked by: Hon CHAN Hak-kan (LegCo internal reference no.: 66)

Reply:

1. The Customs and Excise Department (C&ED) has all along been applying risk assessment and intelligence analysis, and maintaining close intelligence exchange with the Chinese Mainland law enforcement agencies to combat cross-boundary smuggling activities. Apart from reviewing relevant documents (such as manifests, advance cargo information, etc.) for conducting risk management on all cargoes importing into and exporting from Hong Kong (including those purchased online and imported into Hong Kong through consolidated consignments), and conducting inspection on suspicious cargoes with the aid of advanced equipment and Customs detector dogs, C&ED also flexibly deploys its internal manpower and resources to mount targeted anti-smuggling operations in a timely manner and conduct joint operations with the Chinese Mainland Customs to prevent and detect prohibited articles/controlled items from importing into and exporting out of Hong Kong illegally.

2. Goods purchased through Mainland online shopping platforms primarily enter Hong Kong via land boundary control points in cargo mode. In 2025, C&ED detected 473 cases of smuggling of contraband through relevant channels.

3. C&ED has spared no effort in taking forward the Smart Customs development to enhance its detection capabilities and effectiveness in combating smuggling activities. C&ED has made use of artificial intelligence (AI) and big data analytics to facilitate risk management, and has deployed advanced inspection equipment, such as Computed Tomography Scanners with AI functions, auto-detection devices for X-ray checkers, Smart Under Vehicle Robots, Platform for X-ray Image Evaluation, Vehicle Inspection and Strategic Analysis System, etc. in the inspection and clearance of cargoes (including small postal packets) and vehicles at boundary control points.

4. C&ED has established a communication mechanism with major non-local cross-border electronic commerce (e-commerce) platforms for dedicated staff to conduct exchanges and step up compliance promotion, including explaining to the platforms the regulatory requirements of various types of items under the relevant Hong Kong legislation, as well as requiring strict compliance with the laws of Hong Kong for all the imports of controlled items. If suspected controlled goods that could be delivered to Hong Kong are found to be sold on e-commerce platforms, C&ED will proactively contact the relevant e-commerce platforms and request for follow-up actions, such as requiring the platform operators to restrict the delivery of such items to Hong Kong.

C&ED has signed a Memorandum of Understanding with a non-local cross-border e-commerce platform to establish a closer co-operation framework for further strengthening compliance promotion. This includes notification of the latest legal and regulatory requirements in a timely manner, as well as assisting the e-commerce platform in training merchants to keep the latter abreast of the details of prohibited/controlled items in Hong Kong. C&ED is also actively discussing the signing of Memoranda of Understanding with other non-local e-commerce platforms to further safeguard public interest.

- End -

CONTROLLING OFFICER'S REPLY

CEDB175

(Question Serial No. 0720)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

The Guangdong and Hong Kong Governments launched the “Air-Land Fresh Lane” (“Fresh Lane”) at the Hong Kong International Airport (HKIA) in September last year to facilitate the transshipment of overseas fresh products to the Chinese Mainland upon their arrival in Hong Kong and the re-export of products from the Chinese Mainland to the world. In this connection, please advise on the following:

1. What are the trends in the cross-boundary smuggling cases involving fresh products detected by the Customs and Excise Department since the launch of the “Fresh Lane”?
2. What are the major categories of products currently transhipped/imported/exported to or from the Chinese Mainland through the “Fresh Lane” apart from fruits and fresh aquatic products?
3. What are the clearance procedures for “Fresh Lane” products at the HKIA, and is there any room for further streamlining and expedition of procedures? Have any products stayed for over the targeted 3 hours at the HKIA since the implementation of the initiative?
4. Is it feasible to extend the “Fresh Lane” initiative from the Hong Kong-Zhuhai-Macao Bridge port to other control points?

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 2)

Reply:

Since the launch of the “Air-Land Fresh Lane” (“Fresh Lane”), the Customs and Excise Department (C&ED) has not detected any smuggling case involving the goods under the scheme.

Currently, the “Fresh Lane” covers 3 categories of products, namely fruits, chilled and live seafood. C&ED will actively consider expanding the types of food covered by the scheme in order to enhance the overall effectiveness of the “Fresh Lane”.

Upon arrival at the Hong Kong International Airport, the fresh products transhipped via the “Fresh Lane” will undergo customs clearance to ensure alignment with the import regulations of the Mainland. The Food and Environmental Hygiene Department will give exemption to the food importer registration requirement for the relevant fresh products transhipment. C&ED will use electronic locks and satellite-based tracking system equipment to ensure that the fresh products are not tampered with during domestic transportation to avoid repeated inspections of the same cargo, thereby streamlining clearance process and expediting cargo movement. The fresh products transhipped via the “Fresh Lane” can be delivered to Zhuhai via the Hong Kong-Zhuhai-Macao Bridge for customs clearance, and enter the Mainland market within 3 hours at the earliest after the flights arrive in Hong Kong.

C&ED will explore with the relevant Mainland authorities the feasibility of extending the facilitation measure for the clearance of fresh products to other control points in a timely manner in response to market demand.

- End -

CONTROLLING OFFICER'S REPLY

CEDB176

(Question Serial No. 0723)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

Regarding cross-boundary goods vehicle traffic, the Customs and Excise Department (C&ED) previously announced that there were about 4.8 million trips of goods vehicles travelling to and from the Chinese Mainland through land boundary control points in 2025. Please provide:

1. the goods vehicle throughput at various land boundary control points, the respective changes and the peak-hour throughput in the past year.
2. C&ED increased the number of clearance points under the Single E-lock Scheme to 99 last year. Please list the goods vehicle throughput of the top 10 clearance points with the highest demand, as well as the additional clearance points which will be under discussion with the Mainland authorities for inclusion in the scheme.
3. What is the progress of C&ED's plan to replace the existing Road Cargo System with the Trade Single Window in the middle of this year?

Asked by: Hon LAM Ming-fung, Lothair (LegCo internal reference no.: 4)

Reply:

The goods vehicle throughput at various land boundary control points, the respective changes and the peak-hour throughput in the past year are tabulated below:

Control Point ^{Note}	2024 (Total number of trips)	2025 (Total number of trips)	Changes	During peak hours in 2025 (Number of trips per hour)
Man Kam To	696 000	758 000	+8.9%	313
Lok Ma Chau	1 298 000	1 216 000	-6.3%	440
Heung Yuen Wai	574 000	606 000	+5.6%	343
Shenzhen Bay	1 643 000	1 743 000	+6.1%	764
Hong Kong- Zhuhai-Macao Bridge	358 000	498 000	+39.1%	205

Note: Cargo clearance service at Sha Tau Kok Control Point has been suspended since March 2022.

The Customs and Excise Department (C&ED) has been actively extending the coverage of the “Single E-lock Scheme” (the Scheme) with the Mainland Customs. Currently, the Scheme covers a total of 100 clearance points, including 13 in Hong Kong, 71 in Guangdong Province, 4 in Hunan Province, 7 in Fujian Province, 1 in Guangxi Zhuang Autonomous Region and 4 in Macao. Among which, the clearance point in Guangxi Zhuang Autonomous Region was newly established on 25 March 2026, providing the cargo freight and logistics sector with more route options. As the Mainland Customs does not maintain the number of trips at individual clearance point, the relevant ranking is not available.

Trade Single Window Phase 3 will be rolled out in 3 batches. The first batch of services will replace the existing “Road Cargo System” on 1 May 2026, allowing the trade to submit electronic advance cargo information (road). While the system development has been completed, various stages of system testing and drill exercises are currently underway to ensure stable operation and a smooth transition for the trade. To facilitate a smooth transition to the new system, C&ED is actively implementing a series of publicity, promotion and training programmes, as well as strengthening communication with the trade through various channels to provide the necessary support to the trade, and to ensure that they can adapt to the operational arrangements of the new system.

- End -

CONTROLLING OFFICER'S REPLY

(Question Serial No. 0220)

Head: (31) Customs and Excise Department

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

Programme: (1) Control and Enforcement

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is mentioned under the Programme that the Customs and Excise Department (C&ED) will continue to operate the Secretariat Office of the World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region to co-ordinate customs matters within the A/P region in relation to global policies and standards, enforcement and intelligence exchange, trade facilitation, and capacity building. In this connection, please inform this Committee of the following:

1. Will the Department capitalise on the opportunities and influence brought by its role as the WCO Vice-Chairperson for the A/P Region to expedite negotiations and implementation of more designated “cross-boundary clearance facilitation measures” or “green clearance channels” with more members, including countries in the Association of Southeast Asian Nations, the Middle East and Central Asia, in order to reduce the time and cost of cross-boundary logistics for Hong Kong businesses?
2. In the light of the rapid development of cross-boundary e-commerce and digital trade, has C&ED established any regular mechanism to proactively consult the local business community, the import and export sector and the logistic sector while taking part in the formulation of new global customs standards on behalf of the A/P region? How will the Department ensure that the newly formulated global standards align with Hong Kong’s business environment and safeguard the interests of local small and medium enterprises against undue compliance costs?
3. What are the specific estimated expenditure and staff establishment for the operation of the Secretariat Office of the WCO Vice-Chairperson for the A/P Region? To ensure the prudent use of public funds in bringing substantial economic benefits, has the Department set specific key performance indicators for the Secretariat Office in its work in “trade facilitation” and “capacity building” so as to objectively assess the actual effectiveness of assuming the international role in consolidating Hong Kong’s position as an international maritime and trade centre?

Asked by: Hon LAMPORT Jonathan Stuart (LegCo internal reference no.: 13)

Reply:

After consulting the Security Bureau, the consolidated reply is as follows:

During its two-year tenure (July 2024 to June 2026) as the World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region, the Customs and Excise Department (C&ED) has been actively promoting co-operation with Customs administrations in the A/P region. By capitalising on the co-ordinating and bridging role of the Vice-Chairperson, C&ED has deepened exchanges with other Customs administrations, advanced the initiatives and measures formulated by the WCO on international trade facilitation, and engaged in in-depth discussions on issues such as cross-boundary clearance facilitation and trade process optimisation, with a view to fostering sustainable trade development.

As the WCO Vice-Chairperson for the A/P Region, C&ED has been actively fostering partnerships with enterprises to jointly address challenges arising from complex global situations. For the first time, 6 Hong Kong enterprises and institutions joined the current term of the “WCO Regional Private Sector Group - Asia Pacific” to provide advice on customs affairs and international trade from the perspective of the private sector. This fosters closer co-operation between Customs administrations and the private sector, establishing a more robust partnership between Hong Kong enterprises and various sectors in other A/P economies.

Furthermore, C&ED has actively invited industry stakeholders to participate in large-scale conferences organised by C&ED in its capacity as the WCO Vice-Chairperson for the A/P Region, providing them with platforms to voice their views at the international customs level. For instance, over 200 representatives from Customs administrations across the world and local industries were invited to join the Conference on Simplification of Procedures and Best Practices for E-commerce held in April 2025, and a Joint Statement reaffirming the commitment to strengthening mutual collaboration between Customs administrations and e-commerce stakeholders was issued subsequently. Similarly, Customs administrations from around the world and representatives from the innovation and technology sector were invited to join the Regional Conference on Smart Customs held in March 2026 to strengthen partnership and co-operation, thereby promoting the development of “Smart Customs” within the A/P region.

On 1 July 2024, the Secretariat Office designated for the discharge of C&ED’s role as the WCO Vice-Chairperson for the A/P Region officially commenced operation. There are currently 13 posts in the Secretariat Office.

The total expenditure on emoluments required for the Secretariat Office in 2026-27 is \$3.29 million. Details of the posts in the Secretariat Office are as follows:

Rank	Number
Assistant Commissioner of Customs and Excise [^]	1
Superintendent of Customs and Excise	1
Assistant Superintendent of Customs and Excise [^]	1
Senior Inspector of Customs and Excise	3
Inspector of Customs and Excise	3
Senior Customs Officer	2
Customs Officer	1
Personal Secretary I	1

[^] Time-limited posts

C&ED will flexibly deploy internal resources as circumstances require and mobilise other staff in the department in a timely manner to assist in various activities organised by the WCO Vice-Chairperson for the A/P Region.

To ensure the prudent use of public funds and to deliver tangible economic benefits, C&ED has set specific key performance indicators (KPIs) for the work of the Secretariat Office. These include organising international conferences and workshops during its tenure to showcase Hong Kong's achievements as an international metropolis and the successful implementation of "One Country, Two Systems" to the international community. The KPIs also encompass meetings and co-operation programmes on "trade facilitation" and "capacity building", as well as youth engagement initiatives.

Since assuming the role of the WCO Vice-Chairperson for the A/P Region, C&ED has organised 16 global or regional international conferences and events covering various areas, such as the Regional Conference on Combating Illicit Cigarettes, the International Forum on Combating Money Laundering and Transnational Organized Crimes, the Regional Workshop on Risk Management and Intelligence Analysis, the Accreditation Workshop on Authorized Economic Operator Programmes for the A/P Region, the Conference on Simplification of Procedures and Best Practices for E-commerce, the Regional Conference on Smart Customs, etc. By bringing together representatives from around the world to exchange views on relevant issues, these events have fostered connections among law enforcement agencies, promoted the development of trade facilitation measures, and enhanced the overall capabilities of Customs administrations in the region.

Through the Youth Ambassadors Programme for the Secretariat Office of the WCO Vice-Chairperson for the A/P Region, C&ED also provides opportunities for young people (including Customs YES members) to participate and assist in various activities organised by the WCO Vice-Chairperson for the A/P Region, demonstrating the potential and vitality of Hong Kong's younger generation to the international community.

In addition, C&ED has developed "ValidAP", a blockchain-based validation platform for digital documents, with the aim of fostering integration and collaboration among Customs administrations, logistics chains, financial chains, trade agreement operations, and other related service sectors within the A/P region. Following the official launch of "ValidAP" in October 2025, C&ED is currently discussing co-operation arrangements with various Customs administrations.

- End -

CONTROLLING OFFICER'S REPLY

CEDB178

(Question Serial No. 2919)

Head: (31) Customs and Excise Department

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

Programme: (3) Intellectual Property Rights and Consumer Protection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Commerce and Economic Development

Question:

It is stated under Programme (3) that the Customs and Excise Department (C&ED) will suppress offences related to forged trade marks, false trade descriptions and unfair trade practices under the Trade Descriptions Ordinance (Cap. 362). In this connection, please inform this Committee of the following:

- (a) the staff establishment, expenditures on emoluments, as well as their respective changes of C&ED as a department responsible for enforcing the Trade Descriptions Ordinance (Cap. 362) in the past 3 financial years, and the estimated figures in 2026-27;
- (b) the number of complaints received by the Government about consumption involving prepayments, the total amounts involved, and the rates of successful recovery in the past 3 years. Please provide a breakdown in table form by major type of industries and the complainants' age group;
- (c) the specific mechanisms currently in place to assist consumers to recover the prepaid amounts in cases where businesses cease operations or fail to fulfil their contractual obligations.

Asked by: Hon TANG Ka-piu (LegCo internal reference no.: 37)

Reply:

The numbers of law enforcement officers and expenditures on emoluments involved in enforcing the Trade Descriptions Ordinance (TDO) by the Customs and Excise Department (C&ED) in the past 3 years are as follows:

Financial year	Number of law enforcement officers	Expenditure on emoluments involved (\$ million)
2023-24	231	139
2024-25	231	144
2025-26	233	146

In 2026-27, C&ED estimates that 237 law enforcement officers will be responsible for the aforesaid work, involving an expenditure on emoluments of \$147 million.

In the past 3 years, the number of complaints received by C&ED about consumption involving prepayments and the information on the major industries involved are tabulated as follows:

	2023	2024	2025
Number of complaints	12 580 ^{Note 1}	5 412 ^{Note 2}	4 144 ^{Note 3}
Major industries involved	<p>Goods: Online shopping platforms (such as baby products), toys and games, food and beverage</p> <p>Services: Fitness and yoga, education, beauty and hairdressing</p>	<p>Goods: Toys and games, food and beverage</p> <p>Services: Fitness and yoga, education, beauty and hairdressing</p>	<p>Goods: Toys and games, food and beverage</p> <p>Services: Vaccination services, fitness and yoga, education, beauty and hairdressing</p>

Note 1: Of these, 11 565 cases were related to the sudden closure of an online diaper retailer suspected of engaging in wrongly accepting payment.

Note 2: Of these, 2 809 cases were related to the sudden closure of a chain fitness and beauty group suspected of engaging in wrongly accepting payment.

Note 3: Of these, 2 513 cases were related to the sudden closure of a vaccination services group suspected of engaging in wrongly accepting payment.

As the principal enforcement agency of the TDO, C&ED is responsible for conducting criminal investigations into cases of suspected contravention of the TDO and instigating prosecutions against unlawful acts. Since C&ED does not recover financial or other losses on behalf of complainants from traders, and that not all complainants provide information on their age and the amounts involved when lodging complaints, C&ED is unable to provide such information.

When handling complaints about failure to provide services to consumers due to sudden business closure, C&ED generally investigates along the direction as to whether the case involves “wrongly accepting payment” under the TDO. If any trader is found to have contravened the TDO, C&ED will take decisive enforcement action. In addition, the Consumer Council (the Council) endeavours to study and promote the protection of consumers’ rights and interests, including the handling of consumer complaints relating to goods and services and the provision of advice to consumers. If a consumer suspects that a trader has engaged in unfair trade practices in the provision of goods or services, he/she may report to C&ED or lodge a complaint with the Council.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)005

(Question Serial No. 0188)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the expenditure incurred by the Customs and Excise Department on enforcement actions against illicit cigarette activities, please inform this Committee of:

- (a) the Government expenditures on enforcement against illicit cigarettes in the past 3 years, with a breakdown by establishment, technological investment and informant reward.
- (b) whether additional resources will be allocated for stepping up enforcement efforts in the estimate for 2026-27 in the light of the ongoing illicit cigarette activities? If yes, what are the details and the estimated expenditure?

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 8)

Reply:

(a) The Customs and Excise Department (C&ED) deployed 61 dedicated officers annually to combat illicit cigarette activities in 2023-24 and 2024-25. Starting from 2025-26, a total of 51 dedicated officers (Note) have been deployed to the relevant work. The expenditures on emoluments involved are tabulated below:

Financial year	Expenditure involved (\$ million)
2023-24	30.23
2024-25	31.13
2025-26	25.94

Note: 10 time-limited posts were deleted in 2025-26 upon their expiry.

In addition, frontline Customs officers deployed at various entry and exit points are also involved in the interception of illicit cigarettes. Since they are tasked with other clearance duties at the same time, C&ED is unable to separately provide the expenditure involved in their work on interception of illicit cigarettes. The technological resources involved in combating illicit cigarette activities by C&ED have been included in the general operating expenditure. C&ED does not maintain a breakdown of such expenditures.

To effectively combat various illegal activities, including illicit cigarette activities, C&ED has put in place a “Reward Scheme” for registered individuals to provide relevant information, leading to arrests and seizures by C&ED. As disclosure of such information may undermine enforcement effectiveness, the details of the related expenditure will not be disclosed.

(b) C&ED will, having regard to actual circumstances, flexibly deploy existing resources to assist in anti-illicit cigarette work and mount targeted anti-illicit-cigarette operations in a timely manner. C&ED will apply for additional manpower and resources in accordance with the established mechanism when necessary.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)006

(Question Serial No. 0318)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

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

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Tobacco products are dutiable commodities under the Dutiable Commodities Ordinance. To protect government revenue, the Customs and Excise Department (C&ED) has been combating the smuggling and peddling of illicit cigarettes through different channels. In this connection, will the Government inform this Committee of the following:

1. What are the number of prosecutions instituted by C&ED for offences relating to duty-not-paid cigarettes at various control points in each of the past 3 years; of these, what are the respective number and proportion of Hong Kong residents and non-Hong Kong residents prosecuted; and which countries or regions did the prosecuted non-local residents mainly come from?
2. What are the number of persons under the age of 21 prosecuted for offences relating to duty-not-paid cigarettes, their age distribution and the nature of the cases involved in the past 3 years?
3. What are the number of large-scale special operations against illicit cigarettes conducted by C&ED, their district distribution, the manpower deployed and the number of persons prosecuted in each of the past 3 years; and what are the respective percentage of the illicit cigarettes seized during these operations over the total annual seizures?
4. Does C&ED have any future plans to extend the coverage of random checks or strengthen enforcement measures at various control points to intercept the inflow of illicit cigarettes at source more effectively?
5. Will C&ED introduce more advanced inspection equipment and smart innovative technologies in the future to enhance detection capabilities during inspections; if so, what are the details of the procurement items and the estimated expenditure involved?

Asked by: Hon HO King-hong, Adrian Pedro (LegCo internal reference no.: 21)

Reply:

1. The information on prosecutions of Hong Kong and non-Hong Kong residents instituted by the Customs and Excise Department (C&ED) for offences relating to duty-not-paid cigarettes at various control points in the past three years is as follows:

	2023	2024	2025
Number of persons prosecuted	359	599	749
Number and percentage of Hong Kong residents	190 (53%)	293 (49%)	401 (54%)
Number and percentage of non-Hong Kong residents	169 (47%)	306 (51%)	348 (46%)

Note: Cases with prosecution instituted during the year.

The non-Hong Kong residents prosecuted were mainly from the Chinese Mainland.

In addition, 9 838, 19 072 and 26 985 persons were compounded and fined by C&ED at boundary control points for bringing in cigarettes exceeding the duty-free concessions in 2023, 2024 and 2025 respectively.

2. The number and age distribution of persons under the age of 21 prosecuted for offences relating to duty-not-paid cigarettes in the past three years are as follows:

	2023	2024	2025
Number of persons prosecuted	42	26	18
Number of persons aged 16 to under 21	36	24	15
Number of persons aged under 16	6	2	3

Note: Cases with prosecution instituted during the year

The persons prosecuted were mainly involved in cases of possession of duty-not-paid cigarettes in contravention of the Dutiable Commodities Ordinance.

3. The information on large-scale special operations against illicit cigarettes conducted by C&ED at various districts and control points in Hong Kong in the past three years is as follows:

	2023	2024	2025
Number of operations	4	3	3
Quantity of illicit cigarettes seized in the operations (million sticks)	74	139	139
Percentage of total seizure	11%	23%	23%
Number of persons arrested	220	579	139

Frontline Customs officers deployed at various entry and exit points are also involved in the interception of illicit cigarettes in relevant operations against illicit cigarettes. Since they are tasked with other clearance duties at the same time, it is difficult to separately quantify the number of officers involved. C&ED does not maintain statistics on the number of persons prosecuted in relevant operations.

4. C&ED will continue to strengthen its risk assessment and intelligence analysis, and adopt a holistic enforcement strategy in combating illicit cigarette activities, i.e. intercepting smuggling in the upper stream, smashing storehouses in the middle, and tackling selling activities at the lower end. C&ED is closely monitoring illicit cigarette activities at various entry and exit points, in the market and on online platforms, and has strengthened intelligence exchange and co-operation with the Chinese Mainland and overseas law enforcement agencies while enhancing detection at boundary control points to combat cross-boundary cigarette smuggling activities at source.

5. C&ED will continue to spare no effort in taking forward the Smart Customs development to enhance its enforcement capabilities by leveraging artificial intelligence (AI) and big data analytics to facilitate risk management, and by deploying advanced inspection equipment, such as the Gantry Type X-Ray Vehicle Inspection Systems, Mobile X-Ray Vehicle Scanning Systems, Computed Tomography Scanners with AI functions, auto-detection devices for X-ray checkers, etc., to strengthen detection capabilities in combating illicit cigarette activities.

In 2026-27, C&ED's estimated expenditure under the Programme (1) "Control and Enforcement" is \$4.86 billion. As the prevention and detection of contraband including dutiable commodities at entry and exit points and within the territory of Hong Kong constitute part of the work of C&ED, it is difficult to quantify such expenditure separately.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)007

(Question Serial No. 1193)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2026-27, the Customs and Excise Department (C&ED) will continue to strengthen enforcement actions against illicit cigarette activities. In this connection, will the Government inform this Committee of:

1. the respective numbers of illicit cigarette cases detected, the quantities of illicit cigarettes seized, and the numbers of persons arrested by C&ED in each of the past 3 financial years; and
2. whether assessments have been made for the specific impact on illicit cigarette activities following the increase in tobacco duty, including whether changes have been observed in the selling prices, sales patterns (e.g. a shift to online ordering or delivery) or smuggling modus operandi of illicit cigarettes; if yes, what are the details?

Asked by: Hon FAN Hoi-kit, Alex (LegCo internal reference no.: 2)

Reply:

1. The information on the cases of duty-not-paid cigarettes seized locally by the Customs and Excise Department (C&ED) in the past three years is as follows:

	2023	2024	2025
Number of cases	11 659	21 191	28 995
Quantity seized (million sticks)	593	555	564
Number of persons arrested	10 991	20 581	28 575

2. C&ED has been closely monitoring illicit cigarette activities at various entry and exit points and in the market. While it was found that large-scale cigarette smuggling by sea still persisted in 2025, illicit cigarette syndicates have begun shifting to the mode of “ants moving home” by smuggling illicit cigarettes into Hong Kong in batches to minimise the financial

loss incurred due to seizure of illicit cigarettes by C&ED and to evade Customs detection. On the other hand, in view of the increasingly frequent flow of people between the Chinese Mainland and Hong Kong, C&ED has strengthened enforcement actions at various entry and exit points to intercept incoming persons illegally bringing in duty-not-paid cigarettes. This resulted in a substantial increase in the number of cases of “incoming persons bringing in excessive duty-free cigarettes and dealt with by compounding”.

C&ED will adjust its enforcement strategies in a timely manner and flexibly deploy internal resources to mount targeted anti-illicit cigarette operations in various districts over Hong Kong, and enhance the effectiveness of combating illicit cigarette activities at various entry and exit points.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)008

(Question Serial No. 1309)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

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

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The number of persons compounded for offences relating to illicit cigarettes increased by 7 913 from 19 072 in 2024 to 26 985 in 2025, representing a rise of over 40%. What are the numbers of compoundable offences relating to illicit cigarettes at various entry and exit points in the past year? Will the Department strengthen random checks at specific control points to combat illicit cigarettes activities in response to the data concerned? If yes, what are the details? If not, what are the reasons?

Asked by: Hon IP Ngo-tung, Chris (LegCo internal reference no.: 23)

Reply:

In view of the increasingly frequent flow of people between the Chinese Mainland and Hong Kong, the Customs and Excise Department (C&ED) strengthened enforcement actions at various entry and exit points in 2025 to intercept incoming persons illegally bringing in duty-not-paid cigarettes. This resulted in a substantial increase in the number of cases of “incoming persons bringing in excessive duty-free cigarettes and dealt with by compounding”, leading to a total of 26 985 persons compounded for offences relating to illicit cigarettes.

C&ED will continue to strengthen its risk assessment and intelligence analysis, and will, having regard to actual circumstances, flexibly deploy existing resources to enhance the effectiveness of combating illicit cigarette activities at various entry and exit points.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)009

(Question Serial No. 1310)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Government implemented a three-month Pilot Run for the Duty Stamp System in October 2025. What are the specific effectiveness of the system and the breakdown of the expenditure involved? The Government will officially launch the Duty Stamp System in the fourth quarter of 2026, followed by its full implementation in the second quarter of 2027. What are the details of the specific expenditure involved? Has the Government set any key performance indicator (KPI) to assess the effectiveness of the system? If yes, what are the details of the KPI? If not, what are the reasons?

Asked by: Hon IP Ngo-tung, Chris (LegCo internal reference no.: 24)

Reply:

In 2024, the Customs and Excise Department (C&ED) commissioned a consultancy firm to conduct a study on the establishment of the Duty Stamp System in Hong Kong. Based on the recommendations of the consultancy study, C&ED engaged a technical consultancy firm to launch a three-month Pilot Run for the Duty Stamp System (Pilot Run) between October 2025 and January 2026. The Pilot Run simulated the workflow and related technologies of the Duty Stamp System in a real operational setting, monitored the delivery of cigarettes affixed with trial duty stamps from the manufacturing premises to the retail outlets throughout the entire supply chain, and collected views from various stakeholders.

During the Pilot Run, Customs officers affixed trial duty stamps to packets of cigarettes brought into Hong Kong by travellers or imported via small shipments after duty payment at six entry and exit points and the Hong Kong International Airport cargo terminals. Besides, local cigarette manufacturers also conducted several operations of affixing trial duty stamps under the supervision of Customs officers and a technical consultant. Overall, the affixing operations achieved a successful rate of 99 per cent. The cigarettes affixed with trial duty stamps were delivered to retail outlets in various districts over Hong Kong for sale after duty payment, including chain convenience stores, newspaper stalls and stores. C&ED also distributed promotional posters, information leaflets and questionnaires to the related retail outlets for facilitating a better understanding of the tobacco retail industry and the public on key features of the Pilot Run.

Regarding the Pilot Run, C&ED engaged three retired officers to provide support, involving a one-off expenditure of about \$2.05 million. To implement the Duty Stamp System, C&ED has restructured internal manpower resources, and has engaged eight retired officers to carry out the related work, involving an annual expenditure of about \$4 million.

The implementation of the Duty Stamp System aims to enhance the enforcement effectiveness of C&ED in combating “cheap whites” in the market more effectively (Note). The duty stamp affixed to a package of cigarettes for local sale is assigned a specific and unique identification code bound to the corresponding batch of duty-paid permit. This allows Customs officers to identify the duty-paid status of cigarettes with dedicated devices during routine enforcement. If the cigarettes are confirmed to be duty-not-paid, immediate enforcement actions can be taken. As the Duty Stamp System aims to enhance the enforcement effectiveness of C&ED, and the relevant enforcement figures are subject to various factors, it is difficult for C&ED to make projections and set practical key performance indicators in this regard.

Note: There is no legal definition of “cheap whites”. Their packaging is no different from ordinary duty-paid cigarettes, including the health warning markings, and they are sold in the market at low prices (even lower than the tobacco duty of \$66.12 per pack of cigarettes).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)010

(Question Serial No. 1422)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In view of the recent recruitment of teenagers as “runners” by criminal syndicates for distributing leaflets of illicit cigarettes or delivering illicit cigarettes, will the Government inform this Committee of the following:

(1) Please provide the number of persons arrested by the Customs and Excise Department (C&ED) for involvement in the peddling of illicit cigarettes by the following age groups (aged 17 or below, 18-24, 24-34, 35-44, and so forth) in the past 3 years.

(2) Do the above figures show an upward trend? What specific strategies does C&ED have to combat the involvement of minors in illicit cigarette peddling, and what are the respective manpower and expenditures involved?

(3) Given that lawbreakers have recruited teenagers through social media platforms or instant messaging applications to sell illicit cigarettes under the guise of “high-paying part-time jobs” or “lucrative job offers”, did C&ED set aside specific resources in the estimate for the new financial year for cyber patrols, so as to identify and remove those unlawful recruitment advertisements?

(4) Will C&ED allocate additional resources to collaborate with the Housing Department and property management companies in carrying out crime prevention publicity programmes targeting young people in public housing estates (black spots for the distribution of illicit cigarette leaflets)? If yes, what are the details? If not, what are the reasons?

Asked by: Hon TANG Fei (LegCo internal reference no.: 30)

Reply:

1. The number of persons arrested in cases involving duty-not-paid cigarettes seized locally by the Customs and Excise Department (C&ED) and their age information in the past three years are as follows:

Age	2023	2024	2025
Aged under 21	35	20	9
Aged 21 or above	683	795	770
Total	718	815	779

2. The number of persons arrested in 2025 decreased by 4% when compared with that in 2024, indicating that local illicit cigarette activities were not on an upward trend. C&ED will continue to strengthen its risk assessment and intelligence analysis, and adopt a holistic enforcement strategy in combating illicit cigarette activities, i.e. intercepting smuggling in the upper stream, smashing storehouses in the middle, and tackling selling activities at the lower end. C&ED will also continue to step up publicity and education efforts. In addition to delivering talks at schools and youth organisations, promotional videos and promotional materials such as posters and banners will also be displayed in various districts to promote the anti-illicit cigarette message to the community and remind members of the public, especially young people, not to engage in illicit cigarette-related activities.

C&ED deployed a total of 51 dedicated officers to combat illicit cigarette activities in 2025-26, involving an expenditure on emoluments of \$25.94 million. In addition, frontline Customs officers deployed at various entry and exit points are also involved in the interception of illicit cigarettes. Since they are tasked with other clearance duties at the same time, C&ED is unable to separately provide the expenditure involved in their work on interception of illicit cigarettes.

3. C&ED has been conducting cyber patrols targeting suspected sale of illicit cigarettes. When suspected cases are detected, C&ED will immediately relay the matter to the websites or social media platforms concerned for follow up, including blocking the accounts concerned.

Besides, according to the Smoking (Public Health) Ordinance (Cap. 371), no person shall display or cause to be displayed, or publish or distribute for the purpose of display, any smoking product advertisements in any form (including flyers or online advertisements). C&ED will refer complaints about websites promoting illicit cigarettes to the Tobacco and Alcohol Control Office (TACO) of the Department of Health (DH) for follow-up action.

4. In 2025, C&ED conducted inter-departmental anti-illicit cigarette publicity activities with the Legislative Council Members, District Council Members and relevant departments, including TACO of DH, the Hong Kong Police Force and the Housing Department, etc., at a total of 26 public housing estates in 11 districts, during which C&ED delivered the anti-illicit cigarette message to the public and encouraged them to report suspected illicit cigarette activities to C&ED. C&ED will continue to carry out inter-departmental anti-illicit cigarette publicity activities at public housing estates in various districts.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)011

(Question Serial No. 2430)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

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

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding actions against tobacco products in the past 3 years, will the Government inform this Committee of the following:

1. With regard to actions against illicit cigarettes, how many cases involving the smuggling of tobacco and illegal trade in duty-not-paid tobacco were detected by the Customs and Excise Department (C&ED) each year? What were the quantity of tobacco and the total value involved?
2. Further to the above, what were the number of persons arrested and the percentage of young people among them?
3. With regard to the total ban on the sale of alternative smoking products (ASPs) such as electronic cigarettes in Hong Kong, what is the total number of cases involving the illegal import of ASPs detected by C&ED so far; and what are the quantities and values of the products seized?
4. To step up actions against illicit cigarettes, it is noted that C&ED intends to affix anti-forgery labels to duty-paid cigarettes. What are the work progress and the expenditures involved?

Asked by: Hon CHAN Hak-kan (LegCo internal reference no.: 8)

Reply:

1. The relevant information on cases involving the smuggling of tobacco (including manufactured tobacco and cigars, excluding cigarettes) and illegal trade in duty-not-paid tobacco detected by the Customs and Excise Department (C&ED) in the past three years is as follows:

	2023	2024	2025
Number of cases	387	616	777
Quantity (kilogrammes)	9 475	59 303	70 879
Total value (\$ million)	49.75	279.60	477.69

2. The numbers of persons arrested in the aforesaid cases are as follows:

	2023	2024	2025
Number of persons arrested	308	549	669
Number of persons aged under 21 (%)	8 (2.6%)	6 (1.1%)	8 (1.2%)

3. In accordance with the Smoking (Public Health) Ordinance (Cap. 371) and the Import and Export Ordinance (Cap. 60), with effect from 30 April 2022, no person may import, promote, manufacture, sell, or possess for commercial purposes alternative smoking products (ASPs), including electronic smoking products, heated tobacco products and herbal cigarettes.

In the past three years (2023-2025), C&ED detected a total of 6 596 cases involving illegal import of ASPs and seized approximately 22 million items of ASPs, with a value of approximately \$120 million.

4. In 2024, C&ED commissioned a consultancy firm to conduct a study on the establishment of the Duty Stamp System in Hong Kong. Based on the recommendations of the consultancy study, C&ED engaged a technical consultancy firm to launch a three-month Pilot Run for the Duty Stamp System (Pilot Run) between October 2025 and January 2026. The Pilot Run simulated the workflow and related technologies of the Duty Stamp System in a real operational setting, monitored the delivery of cigarettes affixed with trial duty stamps from the manufacturing premises to the retail outlets throughout the entire supply chain, and collected views from various stakeholders.

During the Pilot Run, Customs officers affixed trial duty stamps to packets of cigarettes brought into Hong Kong by travellers or imported via small shipments after duty payment at six entry and exit points and the Hong Kong International Airport cargo terminals. Besides, local cigarette manufacturers also conducted several operations of affixing trial duty stamps under the supervision of Customs officers and a technical consultant. Overall, the affixing operations achieved a successful rate of 99 per cent. The cigarettes affixed with trial duty stamps were delivered to retail outlets in various districts over Hong Kong for sale after duty payment, including chain convenience stores, newspaper stalls and stores. C&ED also distributed promotional posters, information leaflets and questionnaires to the related retail outlets for facilitating a better understanding of the tobacco retail industry and the public on key features of the Pilot Run.

Regarding the Pilot Run, C&ED engaged three retired officers to provide support, involving a one-off expenditure of about \$2.05 million. To implement the Duty Stamp System, C&ED has restructured internal manpower resources, and has engaged eight retired officers to carry out the related work, involving an annual expenditure of about \$4 million.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)012

(Question Serial No. 2436)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding the effectiveness of actions against illicit cigarettes, will the Government inform this Committee of the following:

(a) With regard to actions against illicit cigarette activities, how many cases involving the smuggling of tobacco and illegal trade in duty-not-paid tobacco were detected by the Customs and Excise Department in each of the past 3 years? What were the quantity of tobacco and the total value involved?

(b) Further to the above, what were the number of persons arrested, their average term of imprisonment and average amount of fines?

(c) Has any third party been commissioned to conduct a survey (such as empty cigarette pack survey) to measure the market share of duty-not-paid cigarettes in order to assess the effectiveness of actions against illicit cigarettes? If yes, what are the details? If not, what are the reasons?

(d) It is noted that the Government is developing a Duty Stamp System and has launched the Pilot Run in phases. What are the expenditures involved in the duty stamps by major expenditure item and the estimated effectiveness?

Asked by: Hon HO Chun-yin, Steven (LegCo internal reference no.: 21)

Reply:

(a) The relevant information on cases involving the smuggling of tobacco (including manufactured tobacco and cigars, excluding cigarettes) and illegal trade in duty-not-paid tobacco detected by the Customs and Excise Department (C&ED) in the past three years is as follows:

	2023	2024	2025
Number of cases	387	616	777
Quantity (kilogrammes)	9 475	59 303	70 879
Total value (\$ million)	49.75	279.6	477.69

(b) The information on the number of persons arrested and the relevant penalties in the aforesaid cases is as follows:

	2023	2024	2025
Number of persons arrested	308	549	669
Penalties[#]	A fine of \$500 to \$8,000 and an imprisonment of 7 months to 1 year	A fine of \$500 to \$18,000 and an imprisonment of 2 months to 14 months	A fine of \$1,000 to \$40,000 and an imprisonment of 10 days to 2 years

[#] Cases with trial concluded during the year.

(c) As making inferences about the market share of duty-not-paid cigarettes solely from empty cigarette packs cannot accurately reflect the actual situation, C&ED has not commissioned any third party to conduct such survey.

(d) In 2024, C&ED commissioned a consultancy firm to conduct a study on the establishment of the Duty Stamp System in Hong Kong. Based on the recommendations of the consultancy study, C&ED engaged a technical consultancy firm to launch a three-month Pilot Run for the Duty Stamp System (Pilot Run) between October 2025 and January 2026. The Pilot Run simulated the workflow and related technologies of the Duty Stamp System in a real operational setting, monitored the delivery of cigarettes affixed with trial duty stamps from the manufacturing premises to the retail outlets throughout the entire supply chain, and collected views from various stakeholders.

During the Pilot Run, Customs officers affixed trial duty stamps to packets of cigarettes brought into Hong Kong by travellers or imported via small shipments after duty payment at six entry and exit points and the Hong Kong International Airport cargo terminals. Besides, local cigarette manufacturers also conducted several operations of affixing trial duty stamps under the supervision of Customs officers and a technical consultant. Overall, the affixing operations achieved a successful rate of 99 per cent. The cigarettes affixed with trial duty stamps were delivered to retail outlets in various districts over Hong Kong for sale after duty payment, including chain convenience stores, newspaper stalls and stores. C&ED also distributed promotional posters, information leaflets and questionnaires to the related retail outlets for facilitating a better understanding of the tobacco retail industry and the public on key features of the Pilot Run.

Regarding the Pilot Run, C&ED engaged three retired officers to provide support, involving a one-off expenditure of about \$2.05 million. To implement the Duty Stamp System, C&ED has restructured internal manpower resources, and has currently engaged eight retired officers to carry out the related work, involving an annual expenditure of about \$4 million.

The implementation of the Duty Stamp System aims to enhance the enforcement effectiveness of C&ED in combating “cheap whites” in the market more effectively (Note). The duty stamp affixed to a package of cigarettes for local sale is assigned a specific and unique identification code bound to the corresponding batch of duty-paid permit. This allows Customs officers to identify the duty-paid status of cigarettes with dedicated devices during

routine enforcement. If the cigarettes are confirmed to be duty-not-paid, immediate enforcement actions can be taken.

Note: There is no legal definition of “cheap whites”. Their packaging is no different from ordinary duty-paid cigarettes, including the health warning markings, and they are sold in the market at low prices (even lower than the tobacco duty of \$66.12 per pack of cigarettes).

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)013

(Question Serial No. 2448)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

During 2026-27, the Customs and Excise Department will continue to strengthen enforcement actions against illicit cigarette activities, especially in respect of cross-boundary smuggling and telephone-order peddling. In this connection, will the Government inform this Committee of the following:

1. the quantity of illicit cigarettes seized, the number of persons prosecuted and convicted, and the details of their penalties in each of the past 5 years;
2. the staff establishment and expenditures involved in combating cross-boundary smuggling and telephone-order peddling in each of the past 5 years, and ways to strengthen the related enforcement actions.

Asked by: Hon SHIU Ka-fai (LegCo internal reference no.: 13)

Reply:

1. The relevant information on duty-not-paid cigarettes seized locally by the Customs and Excise Department (C&ED) in the past five years is as follows:

	2021	2022	2023	2024	2025
Quantity of seizure (million sticks)	371	688	593	555	564
Number of persons prosecuted[#]	934	698	1 065	1 359	1 482
Number of persons convicted[#]	910	699	1 055	1 335	1 413
Penalties[#]	A fine of \$100 to \$20,000 and an imprisonment of 1 day to 28 months	A fine of \$100 to \$24,000 and an imprisonment of 8 days to 20 months	A fine of \$100 to \$36,000 and an imprisonment of 2 days to 20 months	A fine of \$100 to \$68,000 and an imprisonment of 1 day to 28 months	A fine of \$50 to \$50,000 and an imprisonment of 1 day to 3 years

[#]Cases prosecuted/convicted/penalised during the year.

2. C&ED deployed 61 dedicated officers annually to combat illicit cigarette activities from 2021-22 to 2024-25. Starting from 2025-26, a total of 51 dedicated officers (Note) have been deployed to the relevant work. The expenditures on emoluments involved are tabulated below:

Financial year	Expenditure involved (\$ million)
2021-22	28.27
2022-23	28.98
2023-24	30.23
2024-25	31.13
2025-26	25.94

Note: 10 time-limited posts were deleted in 2025-26 upon their expiry.

In addition, frontline Customs officers deployed at various entry and exit points are also involved in the interception of illicit cigarettes. Since they are tasked with other clearance duties at the same time, C&ED is unable to separately provide the expenditure involved in their work on interception of illicit cigarettes.

C&ED will continue to strengthen its risk assessment and intelligence analysis, and adopt a holistic enforcement strategy in combating illicit cigarette activities, i.e. intercepting smuggling in the upper stream, smashing storehouses in the middle, and tackling selling activities at the lower end. C&ED is closely monitoring illicit cigarette activities at various entry and exit points, in the market and on online platforms, and has strengthened intelligence exchange and co-operation with the Chinese Mainland and overseas law enforcement agencies while enhancing detection at entry and exit points to combat cross-boundary cigarette smuggling activities at source. Meanwhile, C&ED will flexibly deploy its internal resources to mount targeted anti-illicit-cigarette operations in a timely manner.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)014

(Question Serial No. 2548)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In 2026-27, the Customs and Excise Department (C&ED) will continue to strengthen enforcement actions against illicit fuel activities. According to the figures announced by C&ED, 39 cases related to illicit fuel filling stations were detected in 2025, representing a 1.6-fold increase over 2024, and a total of 96 000 litres of illicit fuel was seized. In addition, 17 illicit fuel smuggling cases were detected in 2025, with an increase of 89%, and a total of 23 000 litres of illicit fuel was seized, representing a three-fold increase over 2024. In this connection, will the Government inform this Committee of the following:

1. the staff establishment and actual manpower deployed by C&ED for combating illicit fuel activities (including cases related to illicit fuel filling stations and smuggling of illicit fuel) in each of the past 3 financial years, including the number of staff in the dedicated task force and the man-hours of frontline enforcement officers;
2. the details of co-operation with the relevant authorities in the Chinese Mainland and Macao in combating cross-boundary illicit fuel activities; and
3. the specific enforcement strategies against emerging modi operandi, such as converting goods vehicles into mobile fuel filling stations; and whether there is any plan to deploy additional manpower in response to the increasing number of cases; if yes, what are the details and the work schedule?

Asked by: Hon FAN Hoi-kit, Alex (LegCo internal reference no.: 1)

Reply:

1. In the Customs and Excise Department (C&ED), both officers responsible for combating revenue crimes and frontline officers at various entry and exit points are involved in anti-illicit fuel work. Since they are tasked with other investigation and clearance duties at the same time, C&ED is unable to separately provide the manpower and expenditure involved in combating illicit fuel.

2. C&ED has maintained close contact and intelligence exchange with relevant law enforcement agencies in the Chinese Mainland and Macao, and regularly discusses co-operation in combating smuggling activities at meetings. C&ED will continue to strengthen

such co-operation in order to enhance the effectiveness of actions against cross-boundary illicit fuel smuggling.

3. C&ED will continue to closely monitor the situation of illicit fuel activities, deploy officers to conduct inspections in various districts over Hong Kong, step up enforcement efforts and adopt a multi-pronged approach in combating such activities. In addition, C&ED has all along been maintaining close co-operation with other government departments (such as the Fire Services Department) in mounting joint operations timely as circumstances require, in order to intercept the supply of illicit fuel and combat illicit fuelling activities.

C&ED will flexibly deploy existing resources to effectively combat illicit fuel activities and mount targeted enforcement operations in a timely manner as appropriate, and apply for additional manpower and resources in accordance with the established mechanism when necessary.

- End -

CONTROLLING OFFICER'S REPLY

FSTB(Tsy)015

(Question Serial No. 3270)

Head: (31) Customs and Excise Department

Subhead (No. & title): ()

Programme: (4) Revenue Protection and Collection

Controlling Officer: Commissioner of Customs and Excise (CHAN Tsz-tat)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

It is mentioned in Matters Requiring Special Attention in 2026-27 under Programme (4) that the Government will strengthen enforcement actions against illicit cigarette activities, especially in respect of cross-boundary smuggling and telephone-order peddling. In this connection, will the Government inform this Committee of the following:

1. the quantity of illicit cigarettes seized by the Customs and Excise Department (C&ED), the market value involved and the number of persons prosecuted in the past 3 years;
2. the expenditures incurred by C&ED for the introduction of the Duty Stamp System;
3. whether the Department will consider allocating additional resources to strengthen manpower for the prosecution of cases relating to illicit cigarette activities in 2026-27; if so, the estimated expenditures involved;
4. whether the Department will consider allocating additional resources to enhance publicity and public education, and to promote the anti-illicit cigarette message across different sectors of the community through organising talks for schools and youth organisations and displaying posters, banners, etc. in 2026-27; if so, the estimated expenditures involved.

Asked by: Hon KOON Ho-ming, Peter Douglas (LegCo internal reference no.: 42)

Reply:

1. The quantity and market value of duty-not-paid cigarettes seized locally and the number of persons prosecuted by the Customs and Excise Department (C&ED) in the past three years are tabulated as follows:

	2023	2024	2025
Quantity of seizure (million sticks)	593	555	564
Market value (\$ million)	2,049	2,466	2,516
Number of persons prosecuted #	1 065	1 359	1 482

Cases with prosecution instituted during the year.

In addition, 9 838, 19 072 and 26 985 persons were compounded and fined by C&ED at entry and exit points for bringing in cigarettes exceeding the duty-free concessions in 2023, 2024 and 2025 respectively.

2. To implement the Duty Stamp System, C&ED has restructured internal manpower resources, and has currently engaged eight retired officers to carry out the related work, involving an annual expenditure of about \$4 million.

3. C&ED will flexibly deploy existing resources to assist in anti-illicit cigarette work and mount targeted anti-illicit cigarette operations in a timely manner as appropriate. C&ED will apply for additional manpower and resources in accordance with the established mechanism when necessary.

4. C&ED will continue to flexibly deploy existing resources to carry out publicity and public education, which include delivering talks at schools and youth organisations, conducting inter-departmental anti-illicit cigarette publicity activities in public housing estates in various districts and displaying posters, banners, etc. in order to promote the anti-illicit cigarette message across different sectors of the community.

- End -