



Customs and Excise Department

Strategic Trade Controls Enforcement

Trade Investigation Bureau
8 January 2015

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Strategic Trade Controls of Hong Kong



Licensing System –
Trade and Industry Department



Enforcement –
Customs and Excise Department

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Objectives

- Uphold Hong Kong Strategic Trade Controls System
- Prevent Hong Kong from being used as a conduit of proliferation of weapons of mass destruction and strategic commodities
- Free flow of strategic commodities for legitimate commercial and research use
- Protect legitimate traders

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Legal Basis of Control

Import and Export Ordinance, Cap. 60

Chemical Weapons (Convention) Ordinance, Cap. 578

Weapons of Mass Destruction (Control of Provision of Services) Ordinance, Cap. 526

United Nations Sanctions Ordinance, Cap. 537

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Enforcement Powers

Authorized officers are empowered to:

- Enter and search any non-domestic premises
- Stop, board, detain and search any vessel, aircraft or vehicle
- Require the production of and take copies of documents

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Enforcement Powers

Authorized officers are empowered to:

- Issue a Direction Notice to direct the storage of suspected articles for determining whether or not the article is a prohibited article
- Seize suspected articles
- Arrest suspects



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Approach

- **Intelligence led or risk-based enforcement**
- **Vigorous enforcement against non-compliance**
- **Education**

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Enforcement Actions

- **Cargo Examination**
- **Import/Export Licence consignment checks**
- **Investigations**
- **Prosecutions**
- **Outreach Seminars**

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Cargo Examination



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Consignment Checks

- Import/Export Licence checks
- Disposal checks on imported goods

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Investigations

Conduct thorough investigations into suspected violations

- Seriously
- Disregard of the background of suspects

With a view to prosecution

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Prosecutions

Abuse of strategic trade control system

➔ serious offence

Importing/exporting strategic commodities without a valid licence

- Strict liability
- Serious offence - Indictable

Maximum Penalty:

- Unlimited fine +
Imprisonment for 7 years
- Mandatory forfeiture of seized articles



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Outreach Seminars

Co-operating with TID to organize outreach seminars to traders:

- Enhance awareness and understanding of the control system
- Enhance awareness of legal responsibility and compliance with the related Laws
- Alertness to the exporting country requirements in the import and export of strategic commodities

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Best Practices

- Internal compliance, e.g. staff training, alertness
- Understand foreign export control practices
- Screen customer / end-user (know your customer)
- Visit public website, e.g. TID website, manufacturer's website
- Ask when in doubt, e.g. classification

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Be a Compliant Trader

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THANK YOU

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