

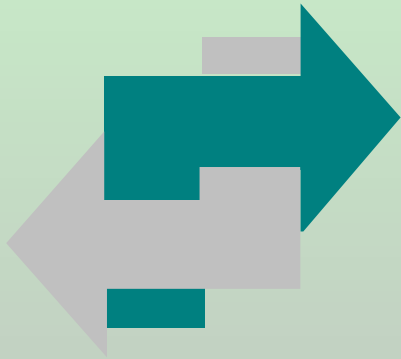


CUSTOMS AND EXCISE DEPARTMENT

STRATEGIC TRADE CONTROLS ENFORCEMENT UPDATE

17 NOVEMBER 2017

STRATEGIC TRADE CONTROLS IN HONG KONG



**Trade and Industry
Department**

➤ **Licensing System**



**Customs and Excise
Department**

➤ **Enforcement**

LEGAL BASIS OF CONTROL

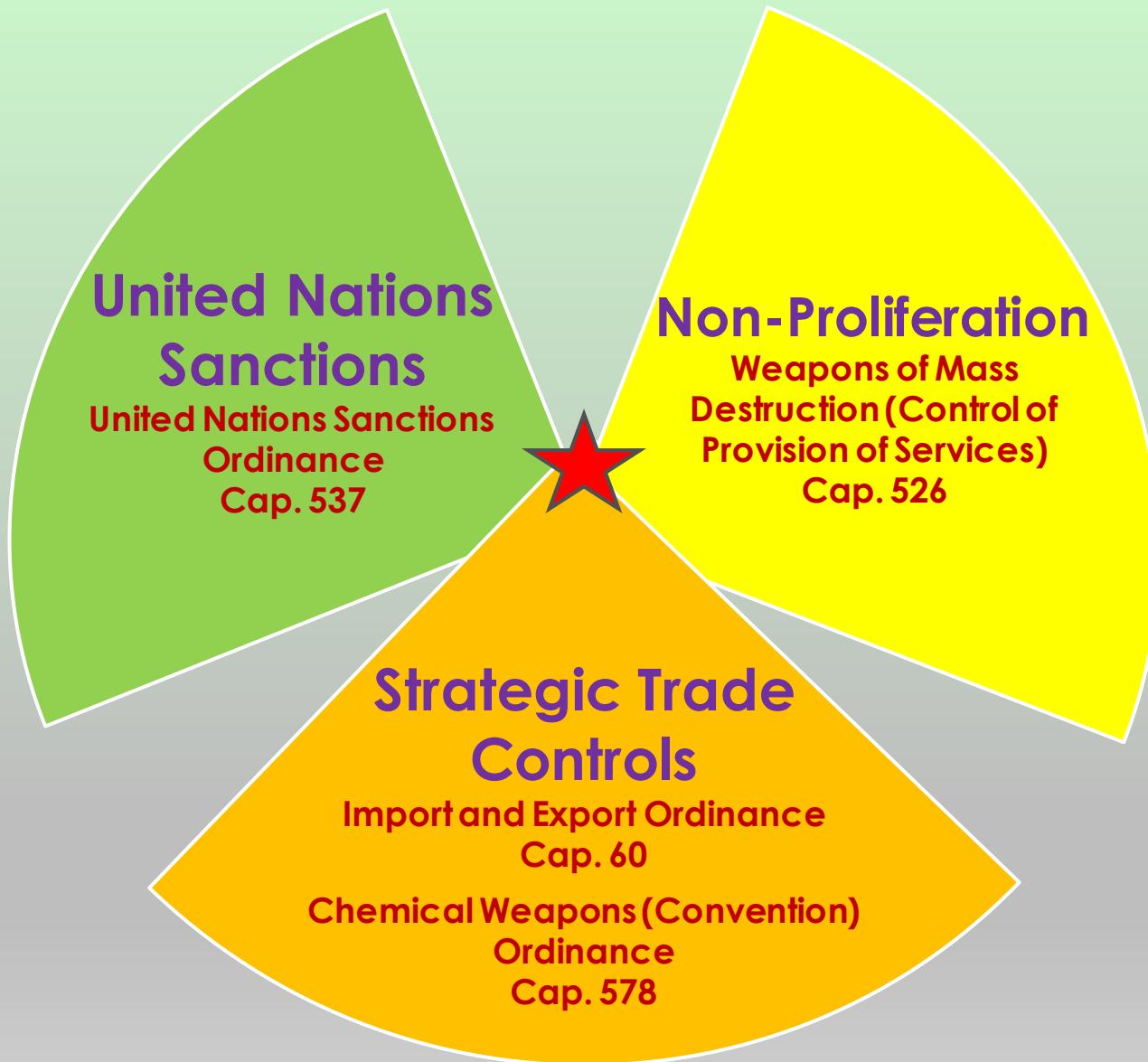
**Import and Export Ordinance
Cap. 60**

**Chemical Weapons
(Convention)
Ordinance
Cap. 578**

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

**United Nations
Sanctions
Ordinance
Cap. 537**

ENFORCEMENT OF STRATEGIC TRADE CONTROLS



ENFORCEMENT POWERS

**UNDER THE IMPORT AND EXPORT ORDINANCE,
AUTHORIZED OFFICERS ARE EMPOWERED TO:-**

- **STOP, BOARD, SEARCH AND DETAIN ANY VESSEL,
AIRCRAFT OR VEHICLE**
- **ENTER AND SEARCH ANY NON-DOMESTIC PREMISES**
- **REQUIRE THE PRODUCTION OF AND TAKE COPIES OF
DOCUMENTS**

ENFORCEMENT POWERS

AUTHORIZED OFFICERS ARE ALSO EMPOWERED TO:

- **ISSUE A DIRECTION NOTICE TO DIRECT THE STORAGE OF SUSPECTED ARTICLES**
- **SEIZE SUSPECTED ARTICLES**
- **ARREST SUSPECTS**

ENFORCEMENT ACTIONS

- **CARGO EXAMINATION**
- **IMPORT/EXPORT LICENCE CONSIGNMENT CHECKS**
- **POST-SHIPMENT VERIFICATION**
- **INVESTIGATIONS**
- **PROSECUTIONS**

CARGO EXAMINATION



CONSIGNMENT CHECKS

- **IMPORT/EXPORT LICENCE CHECKS**
- **DISPOSAL CHECKS ON IMPORTED GOODS**

POST-SHIPMENT VERIFICATION

➤ **RISK ASSESSMENT**

➤ **SUSPICIOUS SHIPMENTS SELECTED FOR
VERIFICATION**

INVESTIGATIONS

- **CONDUCT THOROUGH INVESTIGATIONS INTO SUSPECTED VIOLATIONS DISREGARD OF THE BACKGROUND OF SUSPECTS**
- **INVESTIGATE WITH A VIEW TO PROSECUTE OFFENDERS**
- **FORFEIT OFFENDING GOODS**

PROSECUTIONS

IMPORTING/EXPORTING STRATEGIC COMMODITIES WITHOUT A LICENCE

- **SERIOUS OFFENCE**
- **STRICT LIABILITY**
- **MANDATORY FORFEITURE OF OFFENDING GOODS SEIZED**

MAXIMUM PENALTY:

- **ON SUMMARY CONVICTION**
FINE HK\$500,000 + IMPRISONMENT FOR 2 YEARS
- **ON CONVICTION ON INDICTMENT**
UNLIMITED FINE + IMPRISONMENT FOR 7 YEARS

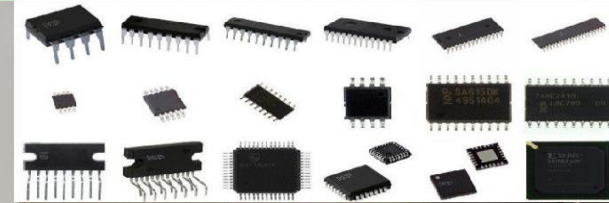


ENFORCEMENT RESULTS ON STRATEGIC COMMODITIES

IN 2016, CUSTOMS & EXCISE DEPARTMENT

- EXAMINED 261,676 PACKAGES OF IMPORTED/EXPORTED CARGO
- CHECKED 2,899 IMPORT / EXPORT LICENCES
- COMPLETED 192 INVESTIGATION CASES
- PROSECUTED 53 PERSONS / COMPANIES IN 45 CASES WITH A TOTAL FINE OF HK\$1,180,000

MAJOR TYPES OF STRATEGIC COMMODITIES INVOLVED IN THE PROSECUTION CASES



➤ **INTEGRATED CIRCUITS (3A001)**

➤ **SYSTEMS / EQUIPMENT / INTEGRATED CIRCUITS FOR INFORMATION SECURITY (5A002)**



OUTREACH SEMINARS

COLLABORATING WITH TID TO ORGANIZE OUTREACH SEMINARS TO TRADERS, FORWARDERS AND CARRIERS

- 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

ADVICE TO TRADERS

TRADING FIRMS, CARRIERS, LOGISTICS COMPANIES AND SECRETARIAL SERVICE COMPANIES ARE ADVISED TO READ :-

- **THE GUIDANCE NOTE ON IMPORT AND EXPORT OF STRATEGIC COMMODITIES**

- **KNOW YOUR CUSTOMERS GUIDANCE OF THE TRADE AND INDUSTRY DEPARTMENT**

THANK YOU