



2023

Customs and Excise Department

Departmental Review





Contents

Our Vision, Mission and Values	1
Message from the Commissioner	2
Foreword	3-4
1. Memorable Events	5-12
2. Organisation of the Department	13-15
3. Law Enforcement	16-56
4. Effective Clearance	57-68
5. Consumer Protection	69-73
6. Trade Controls	74-82
7. Trade Facilitation	83-90
8. Co-operation with Mainland/ International Counterparts	91-100
9. Information Technology	101-108
10. Projects	109-117
11. Human Resources Development	118-131
12. Administration and Finance	132-134
13. Community and Youth	135-150
14. Appendices	151-169

Our Vision

We are a progressive and forward-looking customs organisation which contributes to the stability and prosperity of the community. We act with confidence, serve with courtesy and strive for excellence.

- to protect the Hong Kong Special Administrative Region against smuggling
- to protect and collect revenue on dutiable goods
- to detect and deter narcotics trafficking and abuse of narcotic drugs
- to protect intellectual property rights
- to protect consumer interests
- to protect and facilitate legitimate trade and industry and to uphold Hong Kong's trading integrity
- to fulfill international obligations

Mission

Values

- Professionalism and Respect
- Lawfulness and Justice
- Accountability and Integrity
- Foresight and Innovation



Message from the Commissioner

Looking back over the past year, with social and economic activities returned to full normalcy after the epidemic, the Customs and Excise Department (C&ED) made remarkable and fruitful achievements in various aspects of work, particularly in narcotics interdiction, anti-illicit cigarettes, interception of smuggling activities, protection of consumer interests and intellectual property rights, collection of revenue on dutiable goods, implementation of the Smart Customs Blueprint, enhancement of trade facilitation measures, anti-money laundering, as well as the upholding of national security, Hong Kong's trading integrity and fulfilment of international obligations. Given the new global political and economic landscape, in order to dovetail with the overall national development and foster the Greater Bay Area development, we actively extend various trade facilitation measures and strive to explore mutually beneficial co-operation with both existing and new partners. C&ED has officially assumed the position of the World Customs Organization Vice-Chairperson for the Asia/Pacific Region in July 2024, playing a more significant role in the region and establishing closer multilateral co-operation with members in the region. We will remain dedicated and committed to achieving the goal of unveiling "a new chapter of Asia-Pacific customs collaboration".

This year marks the 10th anniversary of the promulgation of the holistic approach to national security. Apart from conscientiously discharging the duty to safeguard national security and serving the community, we will step up the promotion of national security education among our colleagues and Customs YES members to nurture a new generation of young people with an affection for our country and Hong Kong for contributing to the development of our nation and Hong Kong.

Ms. Louise HO Pui-shan

CDSM, CMSM
Commissioner of Customs and Excise

FOREWORD

Law Enforcement

In 2023, C&ED detected a total of 19 120 cases, a 1.7-fold increase compared with 2022. About 62% of the cases were related to illicit cigarettes, followed by dangerous drugs (7%) and infringement of intellectual property rights (4%). During the year, C&ED seized around 9.5 tonnes of dangerous drugs and \$3.17 billion worth of smuggled goods, representing an increase of 37% and 1.4 times respectively over 2022. The mode of drug trafficking has evolved in recent years. Smugglers have resorted to a dual-track mode by using the tactics of “ants moving home” and large international consignments in parallel. Owing to the close co-operation and intelligence exchange with the Mainland and international law enforcement agencies, significant results have been achieved in combatting drug trafficking with a number of record-hitting cases detected.

Trade Facilitation

The Hong Kong Authorized Economic Operator (AEO) Programme of C&ED enables local enterprises to “go global” and open up international markets. C&ED has so far ratified AEO Mutual Recognition Arrangements (MRAs) with 14 economies, including the Mainland, and will further expand the coverage of the AEO Programme. Besides, C&ED actively promotes the Intermodal Transshipment of Air and Land Cargo, and will create a dedicated express route for air and land fresh and live products, which is expected to be implemented in the second quarter of 2024, to facilitate the movement of fresh and live products between overseas and the Greater Bay Area (GBA), providing two-way express transshipment and opening up business opportunities. The Alternative Smoking Product Transshipment Control Scheme implemented in June 2023 allowed the industry to transport 2 665 tonnes of alternative smoking products from the Mainland to the airport by land for overseas transshipment during the year. In the same month, the Mainland Customs and C&ED extended the Single E-lock Scheme to Hunan Province, and further launched the Guangdong-Hong Kong-Macao Three-Places-One-Lock Scheme in March 2024 to expedite logistics connectivity in the Guangdong-Hong Kong-Macao GBA.

Consumer Protection

C&ED received 18 982 complaints related to the Trade Descriptions Ordinance in 2023, representing a substantial increase of 2.1 times when compared with 2022. Following the full resumption of normal travel, complaints on medicine shops involving quantities of unclear pricing units in selling ginseng and dried seafood, or Chinese medicine increased significantly. In this regard, Quick Response Teams were deployed, where appropriate, to promptly follow up on complaints lodged by visitors for the protection of consumer interests. Meanwhile, C&ED was committed to promoting publicity and education to enhance consumers’ awareness of the Trade Descriptions Ordinance.

Mainland/International Co-operation

C&ED proactively maintained strong ties and close co-operation with the Mainland Customs and international law enforcement agencies and organised a number of large-scale international events in 2023, including the Regional Customs High-level Drug Enforcement Forum in February, the Regional Drug Enforcement Capacity Building Workshop in September, and the AEO Expert Mission and Symposium for ASEAN and Hong Kong, China in November. In March 2024, we successfully hosted the 6th World Customs Organization (WCO) Global Canine Forum which was held for the first time in Asia. The Secretariat Office of the WCO Vice-Chairperson for the Asia/Pacific Region will be established in July the same year to organise more international conferences at global or regional level.

Smart Customs

C&ED continued to forge ahead with the Smart Customs Blueprint by introducing more advanced inspection equipment and facilities, including the Smart Under Vehicle Robot for detecting contraband, the Smart Seizure Management System for managing seizure in prosecution cases, as well as the Smart Customs Interactive Response System which is applied to the virtual Customs Service Ambassadors and the online chatbot on the Customs website for handling public enquiries.

Human Resources Management

C&ED has strived to deepen the understanding of safeguarding national security, customs affairs and national affairs among all staff members. We arranged training on national studies and Mainland customs operations at the Shanghai Customs College for all newly appointed Customs Inspectors; sent serving officers to attend training at various universities, the National Academy of Governance and the leadership academy in the Mainland; and organised seminars, training videos and competitions to enhance their knowledge, understanding and comprehension of the spirit of the 20th National Congress and integrate it into the goals, actions and attitudes of our work.

Serving the Community and Engaging the Youth

To reach out to more netizens, C&ED launched its Douyin account in April 2023 following the setting up of our YouTube channel, Facebook page and Instagram account. Besides, the C&ED Volunteer Team actively engaged in charities and volunteer work. Apart from supporting local sports events, they also provided services for grassroots families and elderly people.

Customs YES encourages young people to unleash their full potential and seeks to nurture their sense of belonging to and patriotic feelings for the country. More than 5 500 members have been recruited. Following the full resumption of normal travel, Customs YES organised an exchange tour to the Guangdong-Hong Kong-Macao GBA and a summer study tour to Xian, Dunhuang and the Silk Road in March and July 2023 respectively to deepen members' understanding of the profound history and culture of our country, and strengthen their sense of national identity, thereby developing them into distinguished leaders with a sense of social responsibility to make contribution to the country.

Challenges ahead

Looking forward to the coming year, C&ED has assumed the position of the WCO Vice-Chairperson for the Asia/Pacific Region in July 2024 and will strengthen co-operation with other Customs counterparts in the Asia-Pacific region. Apart from guarding the gateway and our nation, we will spare no effort in reinforcing intermodal transshipment, enhancing existing trade facilitation measures and assisting the business sector in exploring international markets to support the development of our motherland and Hong Kong.

01

Memorable Events

2 Feb
2023



International Customs Day 2023

WITH the theme of “Nurturing the Next Generation: Promoting a Culture of Knowledge-sharing and Professional Pride in Customs”, C&ED hosted the International Customs Day Celebration Ceremony which highlighted the important role of Customs administrations in nurturing future pillars of society and facilitating knowledge-sharing. Officiated by the Chief Secretary for Administration, Mr. CHAN Kwok-ki, and the Commissioner of Customs and Excise, Ms. Louise HO, the celebration ceremony was graced by the presence of over 200 esteemed guests.



6 Feb
2023

Full resumption of normal travel at control points and commencement of passenger clearance service at Heung Yuen Wai Boundary Control Point

Following the full resumption of normal travel at boundary control points (BCPs) in Hong Kong, the Heung Yuen Wai Boundary Control Point commenced passenger clearance service, which further enhanced the clearance capability of BCPs between Hong Kong and Shenzhen.





13-16
Feb
2023

Regional Customs High-level Drug Enforcement Forum and 6th Three-Country-Five-Party Talks

C&ED held the forum and talks, which brought together more than 100 representatives from over 40 law enforcement agencies in the Mainland and overseas, international organisations as well as members of the Three-Country-Five-Party Task Force to deliberate on the enhanced strategies for combating transnational drug trafficking activities and promoting anti-narcotics intelligence exchange.



15 May
2023

Implementation of Phase 2 services in batches as a significant milestone in the development of Trade Single Window

Phase 2 services of the Trade Single Window have been rolled out in batches since 15 May 2023. Apart from covering an additional 28 types of trade documents, Phase 2 services have incorporated new functions to enhance user experience. These include the “user pool” management function, “batch upload” function, full support for the “iAM Smart” Platform and seamless interface with the information systems of relevant government departments.

貿易單一窗口
Trade Single Window

2023年
全面推出

食物環境衛生署 FEHD
工業貿易署 TID
衛生署 DH
香港海關 C&ED
漁農自然護理署 AFCD

第二階段
PHASE 2

FULLY ROLLED OUT
IN 2023

28 types of trade documents added

“User Pool” function

“Batch Upload” function

智方便
iAM Smart
Support for “iAM Smart”

13 Jun
2023

Official launch of Hunan-Guangdong-Hong Kong Single E-lock Scheme

The Hunan-Guangdong-Hong Kong Single E-lock Scheme was officially launched. The first batch of transshipment postal items was successfully delivered to the Air Mail Centre at Hong Kong International Airport from Changsha, Hunan on the following day and was transhipped to overseas destinations.



24 Jun
2023

Signing of Memorandum of Understanding with the World Customs Organization to establish a Regional Dog Training Centre

A Memorandum of Understanding was signed between C&ED and the World Customs Organization (WCO) to establish a Regional Dog Training Centre in Hong Kong. C&ED would organise canine training programmes for the Asia/Pacific regional members, and the first activity was the 6th WCO Global Canine Forum scheduled for March 2024.



1 Aug
2023

Establishment of Customs Financial Investigation Bureau

To strengthen the enforcement capabilities and effectiveness of C&ED in meeting the emerging challenges posed by the use of new technologies by transnational money laundering syndicates, the Financial Investigation Group was upgraded to the Customs Financial Investigation Bureau (CFIB). The establishment of CFIB manifested the commitment and determination of C&ED to combat money laundering and terrorist financing.



9 Sep
2023

Strengthening exchange and co-operation with Shanghai Customs College

The Hong Kong Customs College signed a Co-operative Arrangement on exchange and co-operation with the Shanghai Customs College to enhance exchanges and co-operation between both colleges in customs-related training and academic research, and to further promote the development and application of training technology for enhancing learning effectiveness.



27 Nov
2023

Signing of Co-operative Arrangement on Smart Customs Development with General Administration of Customs of People's Republic of China

C&ED signed the Co-operative Arrangement on Smart Customs Development with the General Administration of Customs of the People's Republic of China to lay a solid foundation for mutual co-operation in smart construction as the core. The integration of Smart Customs also helps expand the scope of cross-boundary collaboration between both Customs administrations.



29-30
Nov
2023

Authorized Economic Operator (AEO) Expert Mission and Symposium for ASEAN and Hong Kong, China

Organised by C&ED with the support of the Association of Southeast Asian Nations (ASEAN), a regional conference on AEO issues was held in Hong Kong under the theme of “We Connect for Safety and Prosperity” to forge closer connections among Customs administrations and the business sectors, and thereby seizing business opportunities in the ASEAN region, Mainland China, Hong Kong and Macao.



Memorable Events



02

Organisation of the Department

Senior Management of the
Customs and Excise Department

d

e

f

g

h

i

c

a

b

a. Commissioner of
Customs and Excise

Ms. HO Pui-shan, Louise

b. Deputy Commissioner of
Customs and Excise
(Control and Enforcement)

Mr. WOO Wai-kwan

c. Deputy Commissioner of
Customs and Excise
(Management and
Strategic Development)

Mr. CHAN Tsz-tat

d. Assistant Commissioner
(Boundary and Ports)

Mr. CHU Pui-kit

e. Assistant Commissioner
(Intelligence and Investigation)

Mr. LAI Chi-wing

f. Assistant Commissioner
(Administration and Human
Resource Development)

Ms. TAM So-ying

g. Assistant Commissioner
(Excise and Strategic Support)

Mr. HUI Kim

h. Assistant Commissioner
(World Customs Organization)

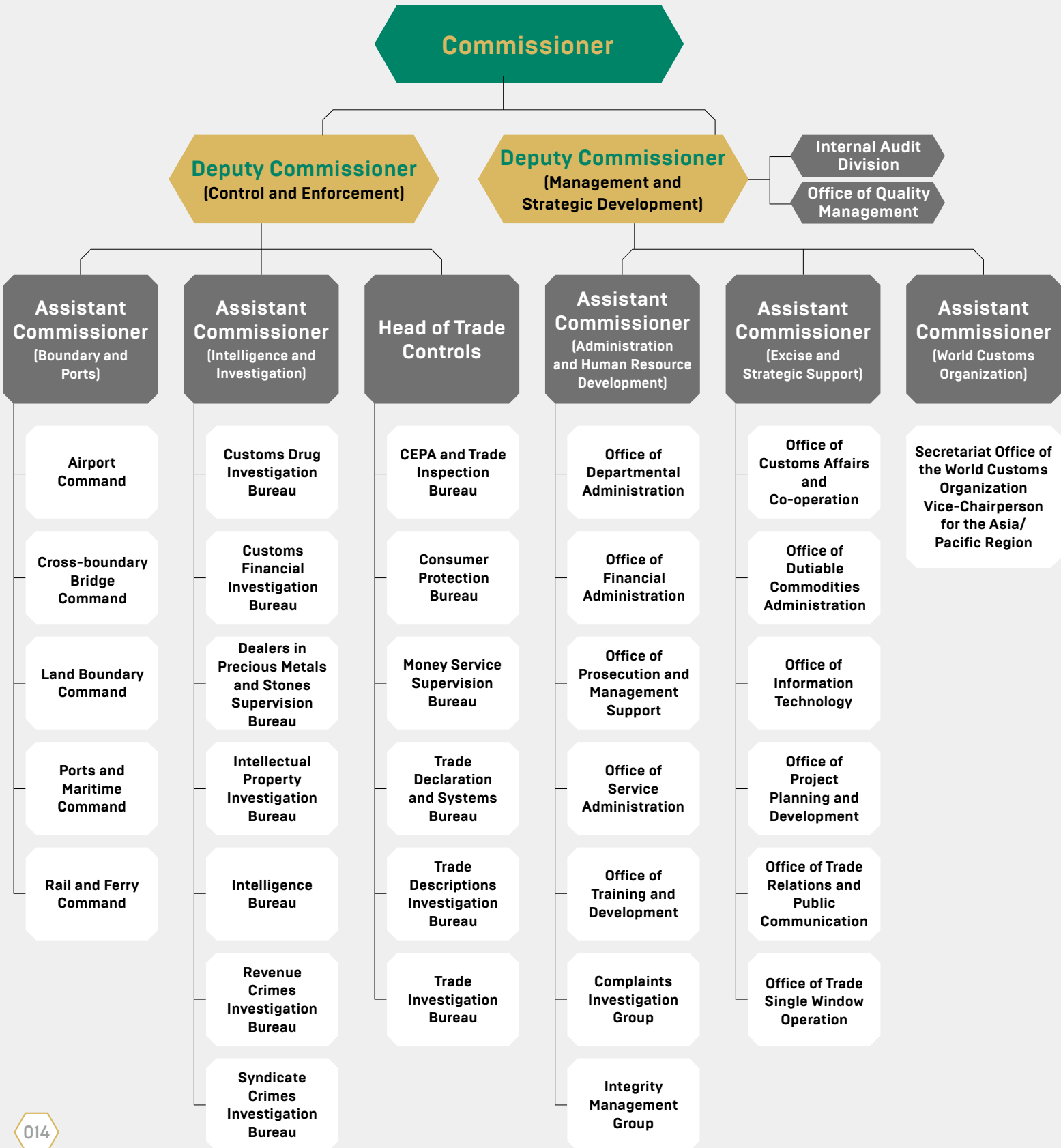
Mr. LI Kin-kei

i. Head of Trade Controls

Mr. LI Man-kai

Organisation Chart of the Customs and Excise Department

as at 1.8.2024



Organisation of the Department

The Commissioner of Customs and Excise is the head of C&ED. She is assisted by two Deputy Commissioners in handling departmental affairs.

Deputy Commissioner (Management and Strategic Development) heads the Administration and Human Resource Development Branch, the Excise and Strategic Support Branch and two formations under his direct charge, namely the Office of Quality Management and the Internal Audit Division. He is responsible for the overall administration and management of the Department and oversees the planning and development of departmental infrastructure projects.

Deputy Commissioner (Control and Enforcement) heads the Boundary and Ports Branch, the Intelligence and Investigation Branch and the Trade Controls Branch. He is responsible for the overall control and enforcement issues of the Department, and supports the Commissioner of Customs and Excise in handling matters on operations and strategies in relation to safeguarding national security.

The Department comprises five branches, each under a directorate officer.

The Administration and Human Resource Development Branch, headed by Assistant Commissioner (Administration and Human Resource Development), is responsible for departmental administration; financial management; human resource management; central support; training and recruitment; legislation, orders and procedures as well as matters on the systems of the Department; prosecution of Customs and Excise (C&E) Service cases; investigation of public complaints; and integrity management.

The Boundary and Ports Branch, headed by Assistant Commissioner (Boundary and Ports), is responsible for matters regarding Customs control and facilitation functions at all entry and exit points, and implementation of departmental policies in relation to Customs control and facilitation functions at all entry and exit points.

The Excise and Strategic Support Branch, headed by Assistant Commissioner (Excise and Strategic Support), is responsible for matters regarding revenue protection and excise control, information technology development, planning and development of major departmental projects, supply chain security management, trade relations and public communication, customs liaison and international

co-operation, operation of the Trade Single Window, and co-ordination of agency services.

The Intelligence and Investigation Branch, headed by Assistant Commissioner (Intelligence and Investigation), is responsible for matters regarding the suppression of narcotics offences and control of precursor chemicals, protection of intellectual property rights, recovery and confiscation of proceeds arising from drug trafficking and organised crimes, risk management and departmental intelligence activities, suppression of syndicated smuggling activities, enforcement activities relating to revenue protection, supervision of the dealers in precious metals and stones, and suppression of money laundering activities.

The Trade Controls Branch, headed by the Head of Trade Controls, is responsible for matters regarding trade inspection, verification, investigation and prosecution relating to origin fraud / licensing fraud / trade fraud, including cases involving Certificates of Origin under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA); consumer protection; control of strategic commodities and reserved commodities; supervision of money service operators; and import and export trade declaration.

Moreover, in response to C&ED's assumption of the position the World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region from July 2024 to June 2026, the Secretariat Office of the WCO Vice-Chairperson for the A/P Region was established. Headed by Assistant Commissioner (World Customs Organization), the Secretariat Office is responsible for driving regional development agendas, coordinating regional affairs, leading members in addressing various challenges and facilitating the formulation and implementation of regional strategic plans.

03

Law Enforcement

C&ED shoulders a diverse scope of enforcement duties. Customs officers fight the menaces to our society by way of boundary control, anti-smuggling and counter-money laundering, narcotics interdiction, as well as intellectual property rights and revenue protection. The prompt and effective law enforcement aims not only to protect society and fight against transnational crime but also to provide a safe business environment.



Anti-smuggling

C&ED prevents and detects smuggling activities under the Import and Export Ordinance by inspecting cargoes imported and exported by air, land and sea; examining passengers and their baggage at entry/exit points; and searching aircraft, vessels and vehicles entering and leaving Hong Kong, so as to enforce the licensing controls on prohibited articles.

In 2023, 221 cases of importing or exporting unmanifested cargo under the Import and Export Ordinance were detected. A total of 188 arrests were made with a total seizure value of about \$3.165 billion. Generally speaking, Mainland-Hong Kong cases accounted for around 83% of the total number of smuggling cases and the total value of the goods seized was \$2.676 billion. Among the seized items, electrical appliances and electronic products (including mobile phones, computers and accessories) were the most popular ones, followed by cigarettes and tobacco products.

Sea Smuggling Activities

During the epidemic, smuggling syndicates switched to seaborne smuggling due to the travel restrictions imposed on passengers and land transport channels. In order to evade Customs detection, they kept changing both the conveyance types and smuggling routes. Despite the full resumption of normal travel in early 2023, smuggling syndicates have still frequently used sea routes for smuggling as it is believed that sea smuggling enables them to transport larger quantities of goods in a single trip. In 2023, C&ED detected 46 sea smuggling cases, with a total seizure value amounting to \$2.17 billion.

In June 2023, C&ED detected a case involving the use of an ocean-going vessel (OGV) to smuggle goods to the Mainland via Singapore. A large batch of smuggled goods, including electronic products, high-value food ingredients, wines, records and scheduled endangered species, was found in 15 containers prepared to be shipped to Singapore, with an estimated retail value of about \$1.5 billion. This is the largest smuggling case detected by C&ED on record in terms of the retail value of the smuggled goods seized.

A large batch of smuggled goods with a retail value of \$1.5 billion was seized in an OGV smuggling case.





A large batch of smuggled goods with a retail value of \$21 million was seized in a RTV smuggling case.

In February 2023, C&ED detected a case involving the use of an OGV to smuggle goods to Malaysia at the Kwai Chung Container Terminals. A large batch of suspected smuggled goods, including electronic waste, vehicle parts and TV set-top boxes, was found inside two containers on board the vessel, with an estimated retail value of about \$17 million.

In addition to using OGVs, smuggling syndicates also engaged in smuggling activities by using river trade vessels (RTVs). In April 2023, C&ED intercepted a RTV heading for Macao in the western waters of Hong Kong. Upon inspection, Customs officers found a large batch of suspected smuggled goods, including notebook computers, notebook computer parts, frozen meat, beef jerky and sea cucumbers, in two containers on board the vessel, with an estimated retail value of about \$21 million.

In the same month, C&ED detected another smuggling case involving the use of a RTV. C&ED intercepted a RTV, preparing to enter the waters of the Mainland, in the western waters of Hong Kong. Upon inspection, Customs officers found a large batch of suspected smuggled goods, including smart phones, computers and integrated circuits, in five containers on board the vessel, with an estimated retail value of \$16 million.

C&ED has successively cracked down on a number of cases involving the use of RTVs to smuggle goods to the Mainland. In order to evade Customs detection, smuggling syndicates have shifted their smuggling routes by firstly transporting the smuggled goods from Hong Kong to Macao, and then smuggling them into the Mainland. To curb related smuggling activities, C&ED mounted an enforcement operation codenamed “Clear Sky” from April to May 2023, focusing on the detection of smuggling activities involving RTVs and OGVs, and detected one RTV case and two OGV cases at the Kwai Chung container terminals.

In the first case, through intelligence exchange with Macao Customs, C&ED successfully intercepted a RTV departed from Hong Kong and returned from Macao. A batch of scheduled dried shark fins and controlled drugs was found in four containers on board the vessel. In another two cases, a large batch of suspected smuggled goods, including set-top boxes, routers, servers, vehicle parts and batteries, was found in 25 containers prepared to be shipped to Malaysia on two OGVs. The retail value of the smuggled goods seized in the operation was estimated at about \$230 million.

A large batch of smuggled goods was seized in an enforcement operation codenamed “Clear Sky”, with a retail value of about \$230 million.



Despite that RTVs and OGVs have been mainly used for smuggling, cases of smuggling involving the use of speedboats still occurred. In June 2023, C&ED successively detected two smuggling cases involving speedboats in Yau Tong and Aberdeen. The first case occurred in the Yau Tong Industrial Area, where Customs officers discovered several suspicious individuals moving a batch of goods from the shore to a speedboat, and they then took enforcement action. A batch of suspected smuggled goods, including red coral, dried fish maws, bird's nests, dried shark fins and used mobile phones, with an estimated retail value of about \$16 million, was seized in a nearby open space and inside a light goods vehicle. Subsequently, C&ED conducted a joint operation with the Marine Police at the Aberdeen Fish Market and found several suspicious individuals moving a batch of goods from the shore to a speedboat. A batch of suspected smuggled goods, including dried seafood and electronic products, with an estimated retail value of about \$15 million, was seized on the shore.

C&ED spares no effort to combat smuggling activities. From August to September 2023, C&ED launched an enforcement operation codenamed "Wave Breaker", during which C&ED conducted surprise searches on three OGVs travelling from Hong Kong to Malaysia, one OGV traveling from Hong Kong to Shanghai, and two RTVs heading for Nansha and Macao respectively. Upon inspection, C&ED seized a large batch of suspected smuggled goods, including electronic products, wines, electronic waste, scheduled shark fins and frozen meat on these six vessels, with an estimated retail value of \$100 million.



A large batch of smuggled goods was seized in an enforcement operation codenamed "Wave Breaker", with a retail value of about \$100 million.

In October 2023, C&ED detected a suspected case involving the smuggling of goods to Malaysia with an OGV at the Kwai Chung Container Terminals. A large batch of suspected smuggled goods, including electronic components, electronic waste and fabrics, was found in five containers on board the vessel, with an estimated retail value of about \$53 million.

Endangered Species

As for endangered species, 403 cases were detected during the year. C&ED seized 1.56 tonnes of endangered species with an estimated value of about \$81.6 million. A total of 276 persons were arrested.



A total of 1 270 kg of suspected scheduled shark fins with a retail value of about \$39.8 million were seized at Hong Kong International Airport.

Alternative Smoking Products

During the year, C&ED detected 1 562 cases involving alternative smoking products (ASPs) and seized about 3.85 million ASPs with a value of \$24.47 million. A total of 1 277 persons were arrested.



Around 33 000 suspected alternative smoking products with a retail value of \$1 million were seized at the Heung Yuen Wai Boundary Control Point.

Firearms and Ammunition/ Strategic Commodities

C&ED has all along maintained stringent controls on firearms and ammunition to prevent illegal import and export of such items into or out of Hong Kong. In 2023, a total of 33 cases involving illegal firearms, firearm component parts and ammunition were detected, representing an increase of 74 per cent over 2022. Meanwhile, the number of cases involving strategic commodities decreased from 126 in 2022 to 57 in 2023.

To further enhance enforcement effectiveness and counter-terrorism capabilities, explosive detector dogs and firearm detector dogs have been deployed to various Customs clearance points to assist in combating the smuggling of illegal firearms, firearm component parts, ammunition and explosives into Hong Kong, with a view to protecting the lives and property of the public as well as safeguarding national security.

Strategies for Suppressing Smuggling

C&ED strives to combat smuggling activities and keeps on strengthening liaison and co-operation with the logistics industry. C&ED signed a memorandum of understanding (MoU) with five major express courier operators in Hong Kong to strengthen enforcement capabilities in combatting smuggling by courier services. Moreover, in order to establish ties and enhance co-operation with the local logistics industry in combatting Customs offences more effectively, the Customs Liaison Programme (CLP) was set up under the Intelligence Bureau in August 2020. As a result of the MoU and CLP, C&ED successfully detected 203 smuggling cases under the Dangerous Drugs Ordinance, the Import and Export Ordinance, the Dutiable Commodities Ordinance, the Trade Descriptions Ordinance, the Weapons Ordinance and the Firearms and Ammunition Ordinance with a seizure value over \$44 million in 2023.

C&ED has established an intelligence exchange and sharing mechanism with law enforcement agencies in the Mainland. In 2023, C&ED worked closely and effectively with the Anti-Smuggling Bureau (ASB) of the General Administration of Customs of the People's Republic of China (GACC), the ASB of the Guangdong Sub-Administration of GACC, the ASB of Shenzhen Customs and the Macao Customs in mutual assistance in law enforcement with remarkable results.

To further combat smuggling activities of parallel traders, a joint operation codenamed "Yunzhan-qingliu" was mounted by the law enforcement agencies of Hong Kong and the Mainland. In April and July 2023, through intelligence exchange with the ASBs of the Mainland, C&ED assisted ASBs in apprehending 60 suspects. A large quantity of smuggled goods, including lobsters, red wine and cosmetics, with a total retail value exceeding RMB 1.11 billion, was seized.

Narcotics Interdiction

In 2023, 1 362 drug cases were detected, representing an increase of 46 per cent over 2022. A total of 296 persons were arrested and 9 476 kg of drugs were seized, representing an increase of 66 per cent and 37 per cent respectively as compared with 2022.

Major seizures were cannabis (2 423 kg, an annual increase of 2 times), methamphetamine (ice) (2 212 kg, an annual decrease of 29 per cent), cocaine (2 058 kg, an annual increase of 1 time), ketamine (1 809 kg, an annual increase of 1.9 times) and heroin (332.5 kg, an annual increase of 2.6 times).

A total of 5 046 kg of illicit drugs were seized at the airport, representing an annual increase of 94 per cent and accounting for about 53 per cent of the total drug seizures in the year; and 3 703.5 kg of illicit drugs were seized via seaborne channels, representing an annual increase of 25 per cent and accounting for about 39 per cent of the total drug seizures in the year. A total of 60 significant cases with seizure value over \$10 million were detected in 2023.

C&ED seized 444 kg of liquid cocaine with a retail value of about \$490 million.



Anti-narcotics Strategy

C&ED has adopted a comprehensive enforcement strategy to prevent and detect illicit drug trafficking, including drug source detection, recovery of drug/crime proceeds and control of precursor chemicals used in manufacturing of illicit drugs.

While stringent control is imposed at all control points to prevent the smuggling and transiting of drugs, officers of the Customs Drug Investigation Bureau also take action against drug syndicates and street peddlers based on surveillance and intelligence.

C&ED is empowered to trace, restrain and confiscate drug and crime proceeds derived from illicit activities so as to stop drug traffickers from re-investing the drug proceeds for further drug trafficking and other criminal activities or using Hong Kong as a base for money laundering.

Through international intelligence exchange and law enforcement collaboration, C&ED maintains solid partnerships with overseas and regional law enforcement agencies (LEAs) to combat transnational drug trafficking activities. Moreover, to strengthen the drug enforcement capacity of LEAs in the Asia-Pacific region, C&ED hosted a Regional Drug Enforcement Capacity Building Workshop in September 2023.



By hosting the Regional Drug Enforcement Capacity Building Workshop, C&ED brought together 44 representatives mainly from 24 LEAs (including those from the Mainland, Asia-Pacific countries and regions and overseas offices stationed in the Asia-Pacific region), as well as international organisations (including the International Narcotics Control Board and the World Customs Organization).

Enforcement Actions

Frontline Customs officers take enforcement actions against illicit drugs based on intelligence and combat drug trafficking activities with the use of hi-tech equipment. Apart from focusing on high-risk commercial cargoes, Customs officers also target the smuggling of drugs by express and mail parcels as well as drug traffickers who attempt to smuggle drugs through control points by wrapping drugs around the body, stuffing drugs inside body cavities or concealing drugs in false compartments of baggage.

Since the resumption of normal travel in early 2023, the smuggling of drugs by air passengers has resumed. Meanwhile, the use of large consignments, air express and speedpost parcels for the smuggling of drugs continues. C&ED has adjusted enforcement strategies in a timely manner and strengthened intelligence exchange and collaboration with the Mainland and overseas LEAs to combat drug trafficking activities at source and to trace illicit fund flows of drug syndicates through financial investigation.

In 2023, seven cases (six seaborne and one local cases) with seizure value of \$100 million or above each were detected. The total seizure value of these seven cases was about \$2.3 billion. Methamphetamine, cocaine, cannabis, ketamine and heroin, are the dangerous drugs most commonly smuggled into Hong Kong.

In 2023, C&ED seized 2 212 kg of methamphetamine and arrested 54 persons. In October 2023, Customs officers intercepted a seaborne container, declared as carrying seafood, arriving in Hong Kong from Mexico, and seized about 1.1 tonnes of methamphetamine with a retail value of about \$640 million. This is the largest-ever solid methamphetamine case detected by C&ED.

C&ED seized 1.1 tonnes of solid methamphetamine with a retail value of about \$640 million.



In 2023, C&ED seized 2 058 kg of cocaine and arrested 120 persons, representing an increase of 100 per cent and 71 per cent respectively when compared with the figures of 2022. In December 2023, Customs officers intercepted a seaborne container, declared as carrying wine and grape juice, arriving in Hong Kong from Brazil, and seized 444 kg of liquid cocaine with a retail value of about \$490 million.



C&ED and the Hong Kong Police Force jointly seized 318 kg of cocaine with a retail value of about \$390 million.

In 2023, C&ED seized 2 423 kg of cannabis and arrested 62 persons. Among the seizures, 1 341 kg were intercepted at Hong Kong International Airport (HKIA) and 1 000 kg were seized via seaborne channels. In October 2023, Customs officers intercepted a seaborne container, declared as carrying air compressors, arriving in Hong Kong from Northern America, and seized 484 kg of assorted drugs, including about 311 kg of cannabis buds, 88 kg of methamphetamine, 82 kg of MDMA and 3.2 kg of fentanyl, with a retail value of about \$140 million.

In 2023, C&ED arrested 77 persons and seized 1 809 kg of ketamine. The amount of seizure increased by 1.9 times when compared with that in 2022. In October 2023, Customs officers conducted an anti-narcotics operation in Kwai Chung and seized about 100 kg of ketamine and about 1.4 kg of cannabis buds with a retail value of about \$52 million.



C&ED seized 100 kg of ketamine and about 1.4 kg of cannabis buds with a retail value of about \$52 million.

In 2023, about 332.5 kg of heroin were seized, mostly from Thailand and Malaysia, and 42 persons were arrested. Among the seizures, 264.5 kg were seized at HKIA, 54.1 kg were seized locally and 13.5 kg were seized via seaborne channels.

Co-operation with the Mainland and Overseas Authorities

As transnational drug cartels are highly organised and collude among themselves, drug trafficking activities have become more internationalised and cartelised. As a result, there is a significant increase in the number of major cases by air or by sea detected in recent years. The amount of drug proceeds involved is also increasing. Hong Kong is not alone in this regard as the entire Asia-Pacific region is facing the same challenge. Regional law enforcement co-operation is particularly important to effectively combat drug trafficking activities.

C&ED has maintained close ties with the LEAs in the Mainland and overseas to fight against transnational drug trafficking. In 2023, through co-operation with other jurisdictions, about 1 460 kg of drugs were seized outside Hong Kong.

In February 2023, C&ED detected a significant case in a joint operation codenamed “Yunzhan-duanliu 2023” with the Anti-Smuggling Bureau (ASB) of the General Administration of Customs of the People’s Republic of China (GACC), the ASB of the Guangdong Sub-Administration of GACC, the ASB of Shenzhen Customs and the Narcotics Control Bureau of the Public Security Department of the Guangdong Province. Through intelligence exchange with the Mainland counterparts, C&ED assisted the ASB of Shenzhen Customs in intercepting a seaborne consignment containing 452.3 kg of methamphetamine, and four persons were arrested in Sydney by the Australian LEA through subsequent international controlled delivery operations.

Through intelligence exchange, the Mainland counterparts intercepted a seaborne consignment and seized 452.3 kg of methamphetamine under joint-operation “Yunzhan-duanliu 2023” with the assistance provided by C&ED. Subsequently, the Australian LEA arrested four persons in Sydney.



In July 2023, Customs officers intercepted a seaborne container, declared as carrying synthetic leather rolls, arriving in Hong Kong from Mexico, and seized 240 kg of methamphetamine with a retail value of about \$170 million. Three persons were arrested by C&ED, and one person was arrested in Sydney by the Australian LEA with the assistance of C&ED through subsequent international controlled delivery operations.

Between September and November 2023, C&ED also mounted a joint anti-narcotics operation codenamed “Operation Marker” with 31 LEAs in the Mainland, Asia-Pacific countries and regions, overseas offices stationed in Hong Kong and the Regional Intelligence Liaison Office of the World Customs Organization. About 2 849.2 kg of drugs were seized in the operation.

Control of Cannabidiol

With effect from 1 February 2023, cannabidiol (CBD) is under the control of the Dangerous Drugs Ordinance. As such, C&ED has taken proactive enforcement actions against CBD smuggling. In 2023, 40 cases were detected, and about 119.5 kg of products suspected of containing CBD were seized.

Besides, C&ED has actively organised various types of publicity programmes. On preventive education, we held around 18 anti-drug talks in different schools and organisations to promote anti-drug messages in 2023. In addition, we organised activities with Customs YES to remind the public of the harmful effects of drugs and the control of CBD through legislation.



C&ED organised anti-drug talks and workshops in different schools and organisations to remind the public of the harmful effects of drugs and the control of CBD through legislation.

Control of Chemicals

C&ED maintains a licensing system under the Control of Chemicals Ordinance to regulate the trade of 36 chemicals commonly used for the illicit manufacturing of narcotic drugs and psychotropic substances. C&ED has been proactively exchanging information and intelligence with overseas LEAs on suspicious shipments of precursor chemicals sourced in the region and shipped through Hong Kong to high-risk destinations.

In 2023, C&ED took part in several international tracking programmes. These initiatives, organised by the United Nations International Narcotics Control Board, are recognised as an effective multilateral mechanism in preventing the illicit diversion of precursor chemicals.

Intellectual Property Rights Protection

On intellectual property rights (IPR) protection, 703 infringing cases were detected and 329 arrests made in 2023. About 0.73 million infringing items were seized, with a total seizure value amounting to around \$288 million, representing an increase of 60 per cent over 2022. Major seizures included electrical appliances and electronic products, followed by watches and parts.

In the light of the newly implemented Copyright (Amendment) Ordinance 2022, to effectively combat unauthorised communication of copyright works, C&ED has commissioned The University of Hong Kong to conduct research on illicit streaming activities and develop evidence-gathering and analysis systems for illicit streaming. The project was completed in June 2023. It helped enhance the capability of Customs officers to carry out cyber investigation and process digital evidence. In October 2023, C&ED conducted a special operation against infringement activities involving illicit streaming devices by applying the “communication right” for the first time in enforcement operations. C&ED will continue to monitor unauthorised communication of copyright works with illicit streaming devices and any suspected infringing cases, and maintain close liaison with copyright owners. If any suspected local infringement activities are found, C&ED will gather evidence in various aspects under the existing legal framework and take appropriate enforcement actions should there be sufficient evidence.



Actions against Online IPR Infringements/ Technology Crimes

To cope with the upward trend of online IPR infringement crimes, the “Anti-Internet-Piracy Team” of C&ED was established in 2000 and further expanded its scale in 2014 with more than 40 investigators dedicated to fighting against online IPR infringements/technology crimes.

Online Counterfeiting

In view of the growing popularity of online shopping in recent years, C&ED has actively conducted enforcement operations against online counterfeiting. Investigations revealed that counterfeit goods were mostly offered for sale on online market places and social media platforms. Culprits solicited business in the name of online shopping agents and claimed that they had connections with overseas suppliers or shopping agents from whom they could source the goods directly. Some also claimed that the goods were sourced directly from original manufacturers and therefore could be sold at lower prices. Counterfeit goods were promoted as “goods purchased by agents” or “goods from original manufacturers” and were put for sale at different discounted prices to attract customers on online platforms.

In 2023, C&ED detected a total of 77 online counterfeiting cases with 87 persons arrested. A variety of counterfeit goods including leather goods, clothes, footwear, accessories, perfumes and cosmetics products, with a total seizure value of \$6.62 million, were seized.

Online Piracy/Technology Crimes

C&ED has spared no effort in combating online piracy and technology crimes. In 2023, C&ED detected a total of 24 cases with 29 persons arrested and pirated goods valued at \$2.45 million seized. The cases mainly involved the sale of circumvention devices and illicit streaming devices, and the provision of infringing karaoke songs to customers by party room and restaurant operators in the course of business for attracting more customers to increase profits.

An enforcement operation was taken in October 2023 to combat infringement activities involving unauthorised communication of copyright works to the public. Ten retail shops were raided with a seizure of about 1 500 suspected illicit streaming devices and a batch of computers and audio-visual equipment, with an estimated market value of about \$1.74 million.

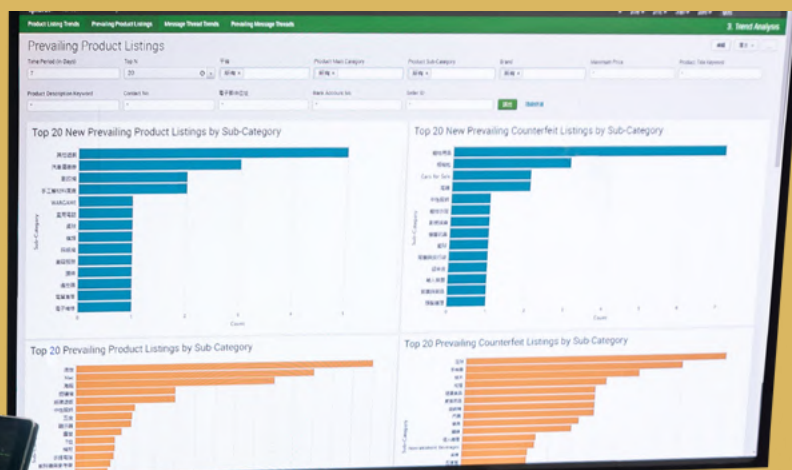


Online Monitoring Systems

To cope with emerging enforcement challenges arising from advancement in technologies, C&ED set up the Electronic Crime Investigation Centre (ECIC) in 2013. The ECIC aims to strengthen research on the latest modus operandi of cybercrimes, formulate enforcement strategies and evidence collection procedures for frontline enforcement officers, organise training courses on retrieval and preservation of digital evidence for frontline officers and develop online monitoring systems to assist frontline officers in conducting cyber investigation.

In 2017, the ECIC implemented the “Big Data Analytics System” to collect and analyse massive information retrieved from various Internet platforms in order to combat the ever-changing online IPR infringement activities. The system has been running well since its implementation. In 2023, the system detected 43 online infringing cases, accounting for 43 per cent of the online infringing cases during the year. This contributed to a seizure value of \$2.61 million, which constituted 29 per cent of the total seizure value from online infringing cases.

The ECIC has obtained the ISO 9001:2015 Quality Management System Accreditation since 2017, demonstrating its commitment to quality and compliance with international standards.



Actions against Local IPR Infringements

Regarding actions against local trademark counterfeiting activities, C&ED detected 202 cases involving forged trademarks with 170 persons arrested in 2023. The goods seized were mainly clothes and accessories, watches and parts, as well as electrical appliances and electronic products, with a total seizure value of \$11.44 million.

In respect of actions taken against local copyright infringement activities, C&ED detected 25 local piracy cases with 31 persons arrested during the year. On pirated optical discs (PODs), with the stringent enforcement actions taken by C&ED, the retail outlets selling PODs have almost been wiped out in recent years.



C&ED took stringent enforcement actions against local trademark counterfeiting and copyright infringement activities.

Actions against Cross-boundary IPR Infringements

In 2023, 400 cross-boundary infringement cases were detected with a total seizure of 0.62 million items of counterfeit goods, valued at \$267 million, mainly comprising electrical appliances and electronic products, watches and parts, footwear, clothes and accessories.

Three rounds of special enforcement operations codenamed "Tracer" targeting high risk transshipping and local consignments in devanning compounds were mounted by C&ED in 2023. A total of 68 cases were detected with a total seizure of about 246 000 items of counterfeit goods, valued at around \$150 million.



Counterfeit goods were seized in a special enforcement operation codenamed "Tracer".



The Customs administrations of Guangdong, Hong Kong and Macao have been working closely to exchange views and share experience on enforcement and strategy for IPR protection. A video conference was held between C&ED and the Intellectual Property Rights Department of the Macao Customs Service in September 2023 to discuss and exchange views on cross-boundary collaboration and strategies in combating IPR cases. During the year, three joint operations were conducted by the Customs administrations of Guangdong, Hong Kong and Macao. A total of 72 cases were detected with a total seizure of about 541 000 items of counterfeit goods, valued at around \$25.4 million.

Restraint and Confiscation of Crime Proceeds of IPR Infringing Syndicates

C&ED actively applies the Organized and Serious Crimes Ordinance (OSCO) in the investigation of IPR infringement cases in the fight against organised syndicates engaged in piracy and counterfeiting activities. Since the first application of OSCO to a piracy case in 2004, C&ED has applied this Ordinance to a total of 19 IPR cases (11 copyright cases and 8 counterfeit cases), with some \$140.4 million worth of crime proceeds/assets restrained. This enforcement approach has effectively clamped down on syndicates engaged in copyright piracy and trademark counterfeiting activities.

Strategic Partnership

C&ED has been proactively seeking greater co-operation with the IPR industry to step up efforts to curb piracy and trademark counterfeiting activities. The industry is now providing all sorts of support to C&ED, including the provision of leads on IPR infringing activities, examination of seized goods to authenticate IPR, provision of testimony in court and training for Customs officers to enhance their skills in identification of fake products. C&ED has also actively maintained close liaison with the industry, local and overseas law enforcement agencies, academics, etc. to review the effectiveness of Customs enforcement, re-examine IPR protection issues and exchange views from multiple perspectives.

During the year, C&ED co-organised six seminars with industry bodies/organisations, including the Korea Trade-Investment Promotion Agency and the Japan External Trade Organization, with the aim of enhancing the ability of frontline enforcement officers in identifying relevant counterfeit products and maintaining active and close communication with the industry.

In July 2023, a trademark owner representative briefed Customs officers on the brand protection strategy of his trademark at a seminar on IPR protection jointly organised by C&ED and the Korea Trade-Investment Promotion Agency.



The ECIC has been deploying resources to conduct insightful research on technology crimes and seeking opportunities to organise training programmes and experience sharing sessions with overseas law enforcement agencies, partners in the business sector as well as academic institutions.

In 2023, C&ED achieved good progress in its partnership with the IPR sector with on-going collaboration in the following areas. The Intellectual Property Rights Protection Alliance (IPRPA) established by C&ED and the industry in March 2004 provides a platform for fostering strategic partnership and strengthening intelligence exchange. As at the end of 2023, 66 organisations of the IPR sector have joined the IPRPA. A working committee was established under the IPRPA to organise activities related to IPR protection, including the launch of publicity and educational campaigns to raise social awareness of IPR protection. In 2023, C&ED organised a visit for the IPRPA members to the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port to give them a better understanding of the Customs work at the boundary control point.



Members of the IPRPA visited the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port.

The “Fast Action Scheme” launched jointly with the Hong Kong Brands Protection Alliance in July 2006 effectively protects the interests of IPR owners participating in major exhibitions and trade fairs staged in Hong Kong. Under the scheme, C&ED will take prompt enforcement actions when reports on IPR infringing activities from exhibitors are received. Publicity leaflets are distributed to exhibitors at the opening of exhibitions to highlight the penalties for IPR infringement offences and to encourage exhibitors to report IPR infringing acts. Since the implementation of the scheme, C&ED has activated the “Fast Action Scheme” at 144 major exhibitions and trade fairs, leading to the detection of 190 infringement cases and the arrest of 227 persons.

Reward Schemes

The IPR industry and C&ED are joining forces to step up intelligence collection with a view to reinforcing actions against IPR infringement offences. The industry is now sponsoring reward schemes which pay cash rewards to informers who provide C&ED with information that leads to the seizure of infringing goods. The three existing reward schemes are:

- Anti-piracy (except retail level) Reward Scheme – sponsored by the copyright industry;
- Reward Scheme to Combat Illegal Photocopying of Books and Periodicals – sponsored by the Hong Kong Reprographic Rights Licensing Society;
- Reward Scheme to Combat Illegal Photocopying of Newspapers and Magazines – sponsored by the Hong Kong Copyright Licensing Association.

Combating Unfair Trade Practices

In 2023, C&ED received 18 982 complaints related to unfair trade practices (16 224 on goods and 2 758 on services), including 11 565 complaints against an online diaper retailer engaging in wrongly accepting payment. The remaining complaints mainly involved foodstuffs, ginseng and dried seafood/pharmacy and Chinese medicines, electronic products, education, beauty and travel services, representing an increase of 2.1 times over 2022. Among them, 18 063 complaints have been processed, of which 14 892 were combined into a total of 96 cases for detailed investigation, mainly involving allegations of false trade descriptions, wrongly accepting payment and misleading omission, while the remaining 3 171 had been concluded or referred to other relevant law enforcement agencies or authorities for follow-up actions since they were not in contravention of the Trade Descriptions Ordinance.



Customs officers arrested staff members of unscrupulous pharmacies and seized a batch of items involved in the case during an enforcement operation.

Operations and Significant Cases

Following the full resumption of normal travel between Hong Kong and the Mainland in 2023, C&ED has been concerned about visitors being misled by unfair trade practices. Through deploying the Quick Response Team to handle urgent complaints lodged by visitors and conducting test-buy operations, C&ED detected five cases that targeted Mainland visitors. The cases involved unclear pricing units of ginseng and dried seafood or Chinese herbal medicines, or the sale of passing-off items in respect of proprietary medicines. Eight persons were arrested, and all of them were found misleading customers by omitting material information such as the genuine unit price and the total price of the goods, or by claiming that the passing-off items were genuine products. Other significant cases included false claims on the weight or origin of food products, and wrongly accepting payment when selling air conditioners on the Internet.

In April 2023, a chain retailing group was convicted and fined \$35,000 for supplying and being in possession of bagged seaweed roll rice crackers to which a false trade description had been applied for the purpose of trade. A total of 9 745 packs of bagged seaweed roll rice crackers involved in the case were also confiscated.

Bagged seaweed roll rice crackers seized in a false trade descriptions case.



In October 2023, a proprietor and a staff member of an online electrical appliance retailer were convicted of several counts of wrongly accepting payment in the course of selling air conditioners. Both were sentenced to 31 weeks' imprisonment, which was the heaviest penalty imposed for cases involving wrongly accepting payment.

Revenue Collection and Protection

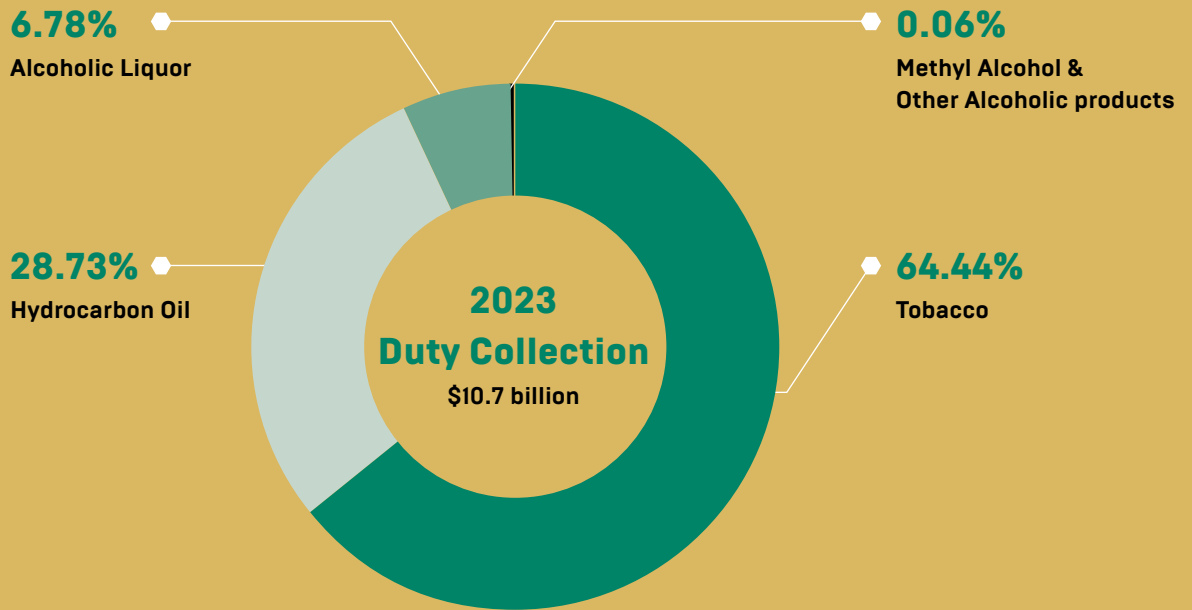
Dutiable Commodities

C&ED is responsible for the collection and protection of revenue on four types of dutiable goods, namely liquor, tobacco, hydrocarbon oil and methyl alcohol. Apart from duty assessment and collection, C&ED also administers a licensing and permit system to control the manufacture, import, export, storage and movement of dutiable commodities for the purpose of revenue protection.



Revenue

In 2023, excise duties collected amounted to \$10.7 billion, representing a decrease of 10.65 per cent when compared with 2022.



A Customs officer conducted compliance check at a public bonded warehouse.



Vehicle Valuation

Through a vehicle importer/distributor registration system, market research on vehicle prices, on-site vehicle inspections, robust enforcement and various compliance promotion activities, C&ED has continued to achieve results in safeguarding collection of first registration tax and protecting the rights of buyers. In 2023, the number of vehicles first registered was 55 902, and the first registration tax collected was \$5.8 billion, representing an increase of 20.8 per cent when compared with 2022.

In 2023, C&ED prosecuted 18 vehicle dealers for contravening the Motor Vehicles (First Registration Tax) Ordinance, involving 42 vehicles. In general, under the supervision of C&ED, illegal sales continued to be kept under control, and the number of illegal cases remained at a low level.

Customs officers conducted on-site vehicle inspection to verify the declared information.



Illicit Cigarettes

The illicit cigarette trade is a common concern of Customs administrations worldwide and combating illicit cigarette smuggling remains a high-priority task for C&ED. It is observed that large shipments of illicit cigarettes are mainly smuggled into Hong Kong via sea routes. In addition to risk-based routine inspection at entry/exit points, enhanced intelligence exchange and parallel operations with the Mainland and overseas Customs counterparts have proven to be effective enforcement strategies to suppress illicit cigarette smuggling. In 2023, a total of 552 million sticks of smuggled cigarettes were seized, the majority of which found from seaborne containers.



In January 2023, a total of about 69 million sticks of illicit cigarettes were seized in the largest illicit cigarette smuggling case detected during the year.

C&ED detected 11 806 illicit cigarette cases with seizures of 652 million sticks of cigarettes and arrests of 10 994 persons in 2023. The total value of the seized illicit cigarettes amounted to \$2,256 million and the duty potential was \$1,541 million. As compared with the preceding year, the numbers of cases and arrests increased by 243 per cent and 291 per cent respectively. Among the seizures, about 593 million sticks were related to local illicit cigarette activities, representing a decrease of about 14 per cent as compared with 2022. C&ED will continue to adopt the enforcement strategy of tackling cigarette smuggling at source to intercept the inflow of illicit cigarettes into the market.

Illicit cigarettes seized in a residential flat and a subdivided unit in urban area.



Illicit cigarettes seized in a metal hut in the remote area.





Illicit cigarettes seized in an industrial building.

Telephone ordering has taken over street peddling to become the predominant mode of retailing of illicit cigarettes. Two dedicated task units were established in 2012 and 2013 respectively to collect and analyse intelligence, and mount special operations to suppress these activities. The operational achievement was outstanding, with the detection of 610 cases involving the total seizure of 4.6 million sticks of illicit cigarettes and the arrest of 620 persons in 2023.

Vehicles for delivering illicit cigarettes ordered by telephone were intercepted.



Illicit Fuel

Rigorous enforcement through increased checks on incoming vehicles and vessels has contained the problem of illicit fuel smuggling from the Mainland. In 2023, ten importation cases, five by land and five by sea, were detected with 11 300 litres of illicit fuel seized.

Illicit fuel activities continue to diminish. For diesel oil, there have been fading trends of smuggling duty-not-paid light diesel oil from the Mainland for sale in the local black market and illegal use of marked/detreated oil as vehicular fuel, following the reduction of the duty rate of Euro V diesel to zero since 14 July 2008. For illicit motor spirit, the continuous and active enforcement actions over the years have achieved the deterrent effect, resulting in a noticeable decline of such activities. Currently, only small-scale illicit motor spirit stations are being operated in a sporadic manner in remote areas of the New Territories. In 2023, 12 cases were detected with 25 300 litres of illicit motor spirit seized.

Illicit motor spirit and a private car seized from an illicit fuel station.



Financial Investigation

Customs officers briefed the media on the detection of a transnational money laundering case.



(1) Organized and Serious Crimes

A total of ten money laundering cases were detected under the Organized and Serious Crimes Ordinance (OSCO) in 2023, showing an increase of 11 per cent as compared with 2022; 56 persons were arrested, representing a year-on-year increase of 1.9 times; and the amount of money involved reached \$12.3 billion, representing an increase of 1.4 times as compared with 2022. Six cases involving over \$100 million were detected, with the largest being \$6 billion.



C&ED cracked down on an operation centre for money laundering activities at a residential flat.

Operation “Hornet”

In January 2023, C&ED detected the largest-ever money laundering case of the Department with a laundered amount of \$6 billion and cracked down on a huge money laundering syndicate. Investigation revealed that the syndicate had opened a number of personal and company bank accounts in various local banks to deal with large amounts of funds from unknown sources between 2020 and 2022. Syndicate members also rented a residential flat at a large private housing estate in an attempt to camouflage the operation of money laundering activities. A total of nine persons were arrested in the enforcement action.

Operation “Checkmate”

Between May and June 2023, C&ED successfully smashed a money laundering syndicate deploying air passengers to assist in money laundering by transporting large quantities of cash into Hong Kong. After the full resumption of travel in early 2023, C&ED intensified intelligence analysis of cash declaration data collected by virtue of the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance (Cap. 629) and found that, from January to May, there was a syndicate suspected of arranging its members to frequently transport large quantities of United States (US) banknotes from overseas into Hong Kong in the capacity of air passengers, with suspicious declarations made to C&ED. Subsequently, C&ED mounted an operation codenamed “Checkmate” in May 2023 and successfully smashed the money laundering syndicate with 23 local men being arrested for conspiracy to money laundering. The total laundered amount was about \$720 million and \$43 million of suspected crime proceeds in cash were seized.



C&ED smashed a money laundering syndicate deploying air passengers to assist in laundering over \$700 million.



C&ED detected the first-ever transnational money laundering case of the Department involving diamond trade with a laundered amount of \$500 million.

Operation “Gem Crusher”

In December 2023, C&ED successfully detected the first-ever money laundering case involving transnational diamond trade with a laundered amount of \$500 million. Upon intelligence exchange with the Indian Customs authority in early 2023, Customs officers uncovered that a transnational money laundering syndicate had set up diamond trading companies in Hong Kong to export low-value synthetic diamonds from Hong Kong to India, but lodged false declarations as natural diamonds of high value in 2021, in a bid to exaggerate the value of the diamonds and transfer suspected crime proceeds from India to Hong Kong as “legitimate payments” for the diamonds. Together with the four syndicate members arrested by the Indian authority, a total of nine persons were arrested in Hong Kong and India.



Operation “Spark”

In October 2023, C&ED cracked down on a money service operator (MSO) using a shell company for money laundering. During the operation, four syndicate members were arrested, with a laundered amount of \$600 million. Investigation revealed that the compliance officer of the MSO had set up a shell company and opened accounts at four local banks to frequently deal with suspicious transactions of large amounts of funds for money laundering from January 2021 to July 2023.



C&ED smashed a local money service operator laundering about \$600 million.

(2) Anti-Money Laundering and Counter-Terrorist Financing

To align Hong Kong’s anti-money laundering and counter-financing of terrorism regime with the prevailing international standards, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO) (Cap. 615) and its preceding ordinance came into operation on 1 April 2012.

Supervision of Dealers in Precious Metals and Stones

Under the AMLO, the regulatory regime for dealers in precious metals and stones (DPMS) administered by C&ED was implemented on 1 April 2023. The Department is responsible for monitoring the ongoing compliance of DPMS with the anti-money laundering and counter-terrorist financing obligations as appropriate. Registration under the regime falls into two categories:

	≥ HK\$120,000 Non-cash Transaction	≥ HK\$120,000 Cash Transaction
Category A Registrant	✓	✗
Category B Registrant	✓	✓

As at 31 December 2023, a total of 6 961 registration applications (including 5 793 for Category A and 1 168 for Category B) were received, while 3 460 Category A registrations and 350 Category B registrations were approved.

Territory-wide Outreach Exercise and Publicity Efforts

The nine-month transitional period ended on 31 December 2023, during which C&ED conducted a territory-wide outreach exercise to visit over 6 400 dealers and reach out to 3 400 local and 4 100 non-local exhibitors. Besides, a total of 77 seminars were arranged for 3 466 dealers in the industry in 2023.

C&ED's booth at the Hong Kong Convention and Exhibition Centre



To help DPMS gain a better understanding of the statutory requirements, C&ED stepped up publicity of the regulatory regime through various channels including social media, Television Announcements in the Public Interest, animation video clips, advertisements on public transport, etc.



A roving promotion vehicle roved at going to various districts

When Dealing in Precious Metals & Stones It's your Duty to Register

Dealers in operation must apply for registration during the **9-month** transitional period starting from **1 April 2023** with waiver of first registration and relevant fees

The Government has introduced a new registration regime for dealers in precious metals and stones for implementation with effect from 1 April 2023 under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (AMLO) (Cap. 615).

- Any person who intends to carry out a business of dealing in precious metals and stones in Hong Kong and engage in any cash or non-cash transactions with total value of or above HKD 20,000 is required to register with the Commissioner of Customs and Excise. For dealers who carry out transactions with total value below HKD 20,000, no registration is required.
- Category A registrant can engage in non-cash transactions with total value of or above HKD 20,000.
- Category B registrant can engage in cash transactions with total value of or above HKD 20,000 and non-cash transactions with total value of or above HKD 20,000.
- Certificate of registration must be displayed in a conspicuous place at the related premises for public inspection.
- A register of registrants is available at the Customs' website for public inspection.

Category B registrant, when engaged in any cash transactions with total value of or above HKD 20,000, is subject to the requirements of Schedule 2 of the AMLO (Cap. 615), such as customer due diligence and record keeping.

While carrying out customer due diligence, a Category B registrant must request and the customer should produce identification documents and Hong Kong Identity Card (issued on other travel document) for identification and verification of their identities. A copy of each identification document that also be made and retained for record. The respective records shall be kept for at least five years after the transaction completed or the business relationship with a customer ended.

Offenders are liable on conviction to a maximum fine of HKD 100,000 and imprisonment for six months.

Notice: In this poster, the HKD/USDT/Bitcoin includes an equivalent amount in another currency.



ENQUIRY
3580 1483
3568 4248
3580 1484

dpms, enquiry@customs.gov.hk
www.customs.gov.hk
www.efs.customs.gov.hk



Publicity materials to promote the regulatory regime



Advertisements on public transport



An online self-assessment tool “DPMS iPASS” was also launched. It enables a dealer to perform a quick and simple self-assessment on whether he/she is required to apply for registration, the appropriate category of registration, and his/her eligibility and readiness to apply for registration.

An online self-assessment tool “DPMS iPASS” which assists dealers in preparing for registration application.

Establishment of the “DPMS Sector Advisory Group”

To strengthen collaboration with various stakeholders of the industry, C&ED established the “DPMS Sector Advisory Group” in October 2023 with the appointment of 18 business leaders in the industry as non-official members for exchanging views on issues of common concerns on the implementation of the regulatory regime.

The inaugural ceremony of the first term of the “DPMS Sector Advisory Group”



Regulation of Money Service Operators

Under the AMLO, the Commissioner of Customs and Excise is the relevant authority of both MSOs and the Postmaster General, and is responsible for the ongoing supervision of their compliance with customer due diligence and record-keeping requirements. Any non-compliance with the statutory requirements may be liable to criminal and/or civil sanctions. C&ED also spares no effort in detecting and investigating unlicensed money service operation (UMSO) and other licence-related offences.

As at 31 December 2023, there were 632 licensees on the Register of MSOs. In 2023, by way of a risk-based strategy, 98 licensed MSOs were selected for compliance inspection with 59 non-compliant cases detected. Disciplinary sanctions were initiated against 10 of the cases. C&ED would continue to take appropriate deterrent measures, including public reprimand, pecuniary penalty and remedial action orders, to deal with various non-compliances. C&ED also prosecuted persons involved in 28 UMSO cases. In one of the cases, the shop worker and proprietor of the MSO were respectively sentenced to imprisonment for seven weeks and one day and four weeks and five days, suspended for 12 months. For the remaining cases, a total of 80 hours of community service orders and a total fine of \$585,000 were imposed.

Outreach Programmes and Educational Seminars

C&ED regularly conducts training and outreach programmes for MSOs to enhance their capacity in fulfilling their obligations. In 2023, C&ED organised various seminars and small group workshops, and continued to implement territory-wide outreach programmes to help MSOs gain a better understanding of their anti-money laundering and counter-terrorist financing obligations, and raise their awareness of money laundering and terrorist financing risks. The outreach programmes also facilitated C&ED's assessment and determination of individual MSOs' risk profiles. Besides, the amended AMLO and relevant guidelines came into effect in 2023. Through seminars and outreach programmes, as well as collaboration with the Hong Kong Money Service Operators Association, C&ED provided appropriate practical guidance to the industry and explained to MSOs the latest regulatory requirements.



C&ED regularly conducts outreach programmes for MSOs to enhance their capacity in fulfilling their obligations.

實體貨幣及不記名可轉讓票據 跨境流動條例

2018年7月16日起生效



- 經各出入境管制站抵港的人士，如帶有總值高於12萬港元的貨幣或不記名可轉讓票據(例如旅行支票)，須於紅燈通道向海關人員作出書面申報。
- 其他抵港人士或離港人士，在海關人員要求下，須如實披露。
- 以貨物形式跨境運送總值高於12萬港元的貨幣或不記名可轉讓票據，須使用海關的網上系統預先申報。

違例者可處最高罰款50萬港元及監禁兩年。
詳情請瀏覽 www.customs.gov.hk



(3) Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance

The Ordinance came into operation on 16 July 2018. A declaration and disclosure system was established to detect the cross-boundary movement of a large quantity of physical currency and bearer negotiable instruments (CBNIs) into or out of Hong Kong. C&ED monitors the cross-boundary transportation of CBNIs through the system to combat money laundering and terrorist financing activities.

A total of 21 451 declarations involving \$1,221.8 billion of CBNIs were received in 2023. For the traveller channel, the 81 persons who committed an offence paid a fixed penalty of \$2,000 to discharge their legal liabilities. Three cases were detected in the cargo channel and all of them were subject to criminal proceedings.

Promotional poster for the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance

No. of CBNIs Declarations and Total Declared Value



Traveller Channel

No. of Declarations **13 516**

Total Declared Value of CBNIs **\$161.6 billion**

Cargo Channel

No. of Declarations **7 935**

Total Declared Value of CBNIs **\$1,060.2 billion**





C&ED intercepted an air parcel concealed with a large amount of undeclared cash.



Smuggling of Cash through Air Parcel

In February 2023, C&ED inspected an air parcel, declared as clothes and books, arriving from Korea at Hong Kong International Airport. Upon inspection, Customs officers found undeclared foreign currency with a total value of about HK\$1.2 million. Investigators mounted a controlled delivery operation and arrested two non-local men involved in the case in an urban area. They were charged with one count of causing to be imported a large quantity of CBNI for which no declaration was made. Further investigation revealed that the duo had participated in cash smuggling activities on a number of occasions since December 2022. Subsequently, they were further charged with one count of money laundering offence with a laundered amount of about \$18 million.

Criminal Prosecution

C&ED takes criminal prosecution seriously with the aim of bringing offenders to justice. Successful prosecution is not only an encouraging finale to frontline operations and investigations, but also serves as a strong deterrent to criminals. In 2023, the number of prosecution cases was 1 851, of which 219 (11.8 per cent) were related to the Import and Export Ordinance, 1 058 (57.2 per cent) related to the Dutiable Commodities Ordinance, 263 (14.2 per cent) related to the Trade Descriptions Ordinance, 188 (10.2 per cent) related to the Dangerous Drugs Ordinance and 38 (2.1 per cent) related to the Copyright Ordinance. A total of 1 914 persons and 170 companies were prosecuted, resulting in a total fine of \$8.99 million and the imposition of imprisonment in 264 cases.

Prosecution Summary

In 2023, a total of 1 686 persons and 167 companies were convicted in prosecution cases brought by C&ED. Details of the prosecution figures are set out in Appendices 12 to 14.



1 686 persons
were convicted

167 companies
were convicted



04

Effective Clearance

C&ED plays a pivotal role in protecting the overall interests of Hong Kong and safeguarding public safety.

Customs officers are committed to combating cross-boundary illegal activities, including performing core functions like narcotics interdiction, anti-smuggling, revenue protection, strategic trade controls and protection of intellectual property rights. They are also deployed in various sea, land and air control points to conduct effective clearance checks on passengers and their baggage, cargoes, postal parcels and cross-boundary conveyances going in and out of Hong Kong. Through proactive risk management and intelligence-led law enforcement strategies, Customs officers conduct targeted anti-smuggling operations in a timely manner to curb all relevant illegal activities.

Furthermore, C&ED is dedicated to fulfilling international obligations and facilitating movement of import and export goods while protecting Hong Kong from the threat of illegal activities. As the first line of defence to safeguard Hong Kong, Customs officers strive to contribute to Hong Kong's security and prosperity by devotedly discharging their duties and fully implementing efficient import and export controls.



Customs officers provide round the clock service in every part of Hong Kong to prevent illegal items from entering or leaving Hong Kong.



Swift recovery

Seize the opportunity

Welcome to glory

Since the full resumption of normal travel, the numbers of cross-boundary passengers and vehicles have gradually increased. Customs officers remain committed to their duties to provide efficient clearance service to passengers, vehicles and cargoes entering or exiting Hong Kong and to ensure smooth operation of various control points. In 2023, the numbers of inbound and outbound passengers and vehicle trips at various control points were approximately 210 million and 10.3 million respectively, which returned to about 65% over the same period before the 2019 epidemic.

Hong Kong and the Mainland Customs maintain close contact and work exchanges with other government departments in boundary areas for better understanding of the latest developments and operation of the control points so that all cross-boundary passengers, whether daily commuters or visitors, can experience smooth and efficient Customs clearance.

During major festivals, Guangdong, Hong Kong and Macao Customs have worked closely together to make early preparation for the peak travel periods. Through a point-to-point liaison channel, real time traffic situation of the passenger and vehicular flow at various control points can be monitored to provide timely notifications and adopt response measures for smooth operation of the control points.

Customs officers conduct searches at the container terminal to detect and combat smuggling activities.



Customs officers conducted aircraft search at the Hong Kong International Airport to combat smuggling and illegal activities.



Customs officers conducted clearance for inbound and outbound cruise ships.



Customs officers closely monitored the passenger flow, flexibly deployed manpower and made necessary co-ordination at each control point to ensure smooth operation.

On 5 January 2023, Customs officers took part in a drill at Lok Ma Chau Spur Line/Futian Control Point to get ready for the full resumption of normal travel.



On 8 January 2023, the Chief Executive, Mr. John LEE, and the Commissioner of Customs and Excise, Ms. Louise HO, visited Lok Ma Chau Spur Line/Futian Control Point on the first day of resumption of normal travel.

Safeguarding the City with Artificial Intelligence

Improving Efficiency

Facilitating Customs Clearance

C&ED continues to promote the development of smart Customs in order to enhance its law enforcement capabilities and effectiveness.

“Smart Under Vehicle Robot” was introduced. By using Artificial Intelligence (AI) for high-definition image comparisons, contrabands hidden beneath vehicles can be detected more effectively and quickly, which will in turn enhance Customs officers’ capabilities to inspect cross-boundary vehicles and detect relevant smuggling activities.





Customs officers have worked smoothly with detector dogs to detect contrabands such as drugs, firearms and explosives.



C&ED introduced the Virtual Customs Ambassadors in December 2023. Through AI, enquiries from members of the public and passengers are dealt with immediately.

Officers of Marine Enforcement Group conduct maritime patrol to combat smuggling activities within Hong Kong Waters.



CT scanner has been introduced to conduct image analysis by applying artificial intelligence in order to improve the effectiveness of detecting contraband.



➤ To safeguard public safety, Customs officers conduct Customs clearance and inspect the luggage of passengers in the arrival hall to ensure that the items brought by them are in compliance with relevant laws and regulations.



Leading the Way

Connecting the Future

HK Customs has long been fully supporting and complementing the Central and the HKSAR Government to promote the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

"Northbound Travel for Hong Kong Vehicles" (the Scheme) was successfully launched on 1 July 2023. The Scheme allows eligible Hong Kong private cars to travel between Hong Kong and Guangdong via the Hong Kong-Zhuhai-Macao Bridge (HZMB) without the need to obtain regular quotas, facilitating Hong Kong residents to drive to the Mainland for business, visiting families or sight-seeing on a short-term basis. As at the end of 2023, a total of 285 000 private cars had made use of the Scheme. In December 2023, the daily average of private cars crossing the HZMB Hong Kong Port under the scheme was about 3 200, which was 39% of the daily total (about 8 200 private cars). The Scheme has greatly increased the private car throughput of HZMB, which boosts better use and management of the bridge as well as the social-economical integration of the Area.



A private car under the "Northbound Travel for Hong Kong Vehicles" scheme under Customs clearance at private car kiosk.



The "Northbound Travel for Hong Kong Vehicles" Scheme brings convenience to Hong Kong residents who travel between Hong Kong and Guangdong Province via the HZMB.

Smart Collars

Enhancing Canine Enforcement Effectiveness

With diversified sniffing capabilities, Customs Detector Dogs are able to detect five kinds of controlled items namely, drug, explosive, cash, firearm and tobacco. C&ED applies the Smart Kennel Management System to analyse the health condition and biological traits of different canine, and pair dogs to ensure successful mating and breeding. Additionally, the System records training progress, analyses canine strengths and weaknesses to enhance the training effectiveness and operational efficacy of the Customs Canine Force.

In March 2023, C&ED became the first law enforcement agency to apply “Smart Collar” in the canine enforcement domain.



Smart Collars can measure the physical data of a detector dog, such as heart rate and respiratory rate, enabling the handler to instantly monitor the physical condition of his/her detector dog. The data collected by the Smart Collars will be further analysed and integrated into the Smart Kennel Management System.

05

Consumer Protection

C&ED protects consumer interests through the enforcement of the Weights and Measures Ordinance, the Toys and Children's Products Safety Ordinance, the Consumer Goods Safety Ordinance, and the Trade Descriptions Ordinance.



[1] Weights and Measures Ordinance

To eradicate the sale of short-weighted items to consumers in a dishonest way, C&ED conducted 1 758 spot checks and 299 investigations in 2023 to detect and deter the use of inaccurate weighing and measuring equipment in trade and the supply of goods which were short of the purported weights. Retailers which involve relatively more complaints about short weight of goods continued to be the targets of C&ED's enforcement actions. In 2023, prosecution was taken in one case and warning letters were issued in 32 cases for contravention of the Weights and Measures Ordinance.

[2&3] Toys and Children's Products Safety Ordinance and Consumer Goods Safety Ordinance

C&ED conducts spot checks and investigations of toys, children's products and consumer goods available in the market to ensure that they are reasonably safe and affixed with bilingual warning labels. In 2023, 3 747 spot checks and 161 investigations were conducted and 8 prosecution cases were concluded. Besides, C&ED issued 10 prohibition notices prohibiting the supply of unsafe products, such as stuffed toys, children's cots, toy gun sets, surgical face masks, smart glasses and whitening cream.

In order to step up enforcement actions, C&ED also conducted 12 blitz checks against the import of unsafe toys, children's products and consumer goods at boundary control points in 2023.

Officers of the Consumer Protection Bureau conducted blitz check at a boundary control point with the aid of a handheld analyser to detect whether the imported products contain excessive harmful substances.



(4) Trade Descriptions Ordinance

The Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance 2012 (the Amendment Ordinance) came into operation on 19 July 2013. To protect the interests of consumers and honest traders, C&ED has been taking stringent enforcement actions against traders employing unfair trade practices.

Special Patrol Operations

C&ED proactively carried out 4 024 spot checks on retail stores and stalls at trade fairs/exhibitions. C&ED has established Quick Response Teams to handle urgent complaints lodged by short-term visitors and local consumers. During the year, Quick Response Teams were summoned on 201 occasions to handle urgent complaints.



C&ED officers conducted patrol at the Hong Kong Computer and Communications Festival to check whether the price of the goods tallies with the promotion, and to remind the traders to comply with the requirements of the Trade Descriptions Ordinance.



C&ED officers conducted patrol at the Hong Kong Book Fair to verify whether the price of goods advertised tallies with the actual selling price and to remind traders to comply with the requirements of the Trade Descriptions Ordinance.

Publicity and Education

Apart from taking necessary and timely enforcement actions, C&ED has strived to carry out promotion and education programmes to enhance consumers' understanding of the Trade Descriptions Ordinance (TDO). In 2023, C&ED hosted a number of public education sessions in Kwun Tong, Kwai Chung, Fanling and Tai Po to raise public understanding of consumer interests and the TDO, and alerting people to consumer pitfalls.

In 2023, C&ED held a total of 34 outreach talks, seminars and meetings for various industries with the aim of enhancing practitioners' understanding of the TDO, reminding them of the importance of complying with the TDO, and urging the management to adopt appropriate measures to avoid unscrupulous trade practices.

Publicity leaflet of the TDO



Customs officers delivered an educational seminar on the TDO to practitioners of the beauty industry in October 2023.

During the first Labour Day Golden Week and National Day Golden Week following the resumption of normal travel between Hong Kong and the Mainland, C&ED launched two operations codenamed "Felicity" and "Thunder" respectively to step up patrols at popular tourist spots. Mobile promotion vehicles, booths and banners were set up to remind visitors to stay vigilant against unscrupulous trade practices for the avoidance of consumer pitfalls. In addition, C&ED posted publicity videos on social media, such as the Department's official Douyin, WeChat and Facebook accounts. Meanwhile, the videos were broadcast on cross-boundary buses and at bus stops where relevant leaflets were also displayed. The publicity programmes achieved remarkable effect and were well-received.

C&ED officers conducted high-profile patrols at popular shopping spots in various districts to remind traders to comply with the requirements of the Trade Descriptions Ordinance.



C&ED deployed mobile promotion vehicle to distribute leaflets at shopping hotspots in various districts with a view to safeguarding rights of local consumers and visitors.

C&ED officers set up mobile publicity booth at popular shopping spots to remind visitors of common unfair trade practices.

06

Trade Controls

C&ED actively implements the certification and licensing systems so as to safeguard Hong Kong's trading integrity. The effective enforcement of various trade controls systems and regimes not only secures compliance with international obligations and multilateral trade agreements, but also facilitates trade and economic development.



Upholding Hong Kong's Trading Integrity

Given the importance of trade and industry to the economy of Hong Kong, C&ED enforces various trade controls systems, including the Certification of Origin System, the Strategic Trade Controls System, the Import and Export Declaration System and the Kimberley Process Certification Scheme, to discharge its international obligations and comply with multilateral trade agreements. Apart from protecting the legitimate interests of traders and manufacturers through enforcement actions, C&ED helps mediate disputes between overseas traders and local suppliers to uphold Hong Kong's trading integrity.

Certification of Origin System

Hong Kong maintains a comprehensive Certification of Origin System to establish the origin of goods produced in Hong Kong. In 2023, C&ED conducted 446 factory inspections to uphold the credibility and integrity of the system.



conducted

446 factory inspections

Strategic Trade Controls System

C&ED is the sole enforcement agency for strategic trade controls. The comprehensive and stringent control over the import and export of strategic commodities prevents Hong Kong from being used as a conduit for the proliferation of weapons of mass destruction, while ensuring the free flow of advanced technology for legitimate commercial, industrial and research use.



Customs officers inspected shipments of strategic commodities at an air express hub.

In 2023, C&ED conducted 1 398 import licence checks, 2 348 export licence checks and 585 disposal checks on strategic commodities. C&ED also mounted several special operations and stepped up enforcement by conducting blitz checks against unlicensed shipments of strategic commodities destined for sanctioned countries and other areas. As a result, four cases were detected with a total of ten pieces of strategic commodities intercepted. During the year, C&ED investigated 232 cases and prosecuted 36 persons/companies, leading to a total fine of \$430,000 and the forfeiture of goods with a value of \$1.5 million. The value of the goods involved in the prosecution cases was \$7.1 million.

Number of checks conducted on import and export licences concerning strategic commodities

2 348
export

1 398
import

Number of investigations on strategic commodities

232

Amount of fine imposed by courts

\$430,000

Value of goods forfeited

\$1.5 million

Value of goods involved in the prosecution cases

\$7.1 million

Import and Export Declarations and Cargo Manifests

C&ED administers the Import and Export Declaration and Cargo Manifests System. C&ED conducts checks to ensure that accurate, full and complete cargo manifests, and import and export/re-export declarations are submitted within the statutory time frame. Late lodgment of cargo manifests/declarations or lodgment of inaccurate cargo manifests/declarations is liable to prosecution and penalties.

C&ED received 18.42 million declarations and collected \$397 million import and export declaration charges/clothing industry training levies/late penalties in 2023. The total amount of late/administrative penalties imposed and short-paid declaration charges/clothing industry training levies recovered was \$7.69 million. In addition, C&ED received approximately 4.92 million cargo manifests in respect of different modes of transport, including air, ocean and road.

Number of import and export/re-export declarations submitted

18.42 million



Total amount of import and export declaration charges/
clothing industry training levies/late penalties collected

\$397 million



Educational Seminars

In order to reduce the number of late and non-lodgment cases, C&ED regularly conducts educational seminars to remind traders and carriers/forwarders of their obligations and to enhance their knowledge of timely lodgment of accurate trade declarations and cargo manifests. C&ED organised eight educational seminars for 118 traders and carriers/forwarders in 2023. Furthermore, C&ED will continue to collaborate closely with the Census and Statistics Department with a view to raising the awareness of timely lodgment of cargo manifests and import/export declarations.



A Customs officer delivered an educational seminar to traders and carriers/forwarders.

Closer Economic Partnership Arrangement – Trade in Goods

Since the implementation of the Closer Economic Partnership Arrangement (CEPA) on 1 January 2004, all products of Hong Kong that fulfil the mutually agreed CEPA Rules of Origin enjoy zero tariff treatment upon importation into the Mainland if they are covered by a Certificate of Hong Kong Origin (CEPA) (CO(CEPA)). In 2023, a total of 11 693 applications for CO(CEPA) were received. Of these applications, 11 537 CO(CEPA)s with a total value of \$950 million were issued. These applications covered a wide range of products, with food and beverage, plastics and plastic articles, textiles and clothing, pharmaceutical products, and chemical products comprising the top five in terms of value.

Charged with the enforcement duties of the CEPA Certification System, C&ED conducted consignment checks against 743 applications for CO(CEPA) and examined 18 CEPA consignments at various cargo exit points in 2023.



Customs officer inspected a Chinese food manufacturing plant to examine its production equipment and verify the manufacturing records of finished products to confirm that the products for export to the mainland China complied with the CEPA origin certificate requirements.



Customs officer inspected a watch manufacturing factory for confirming that the factory complied with the factory registration conditions and fulfilled the CEPA origin rules.

Kimberley Process Certification Scheme

The Kimberley Process Certification Scheme for rough diamonds requires registration of rough diamond traders and comprises a certification system for the import and export of rough diamonds. C&ED conducted 224 consignment inspections and six investigations on rough diamonds in 2023.



Customs officers verified the weight of rough diamonds.



Customs officers inspected the packed rice at a rice packing factory.

Reserved Commodities Control

Through the enforcement of the Reserved Commodities Ordinance, C&ED monitors the import and export of rice to ensure a stable supply of rice in Hong Kong. In 2023, C&ED conducted 4 337 inspections, investigated 27 cases, and prosecuted four persons/companies for importing rice without a valid import licence and one company for breaching rice registration conditions, resulting in a total fine of \$22,500 in 2023. In these cases, the value of the rice involved was around \$20,056.

Mainland Cereals and Grain Flours Control

Since 2008, the Mainland has implemented export administrative measures for cereals and grain flours, requiring that their exports are for consumption in Hong Kong only. To complement the measures, C&ED conducted 143 inspections/verifications in 2023.



A Customs officer inspected the quantity of flour stored by an importer.

Trade Mediation

To safeguard Hong Kong's trading reputation, C&ED provides free mediation service to settle trade disputes between overseas trading firms and local companies. In 2023, C&ED successfully settled nine of 17 cases it mediated.

A Customs officer contacted a local supplier to arrange for trade mediation service.



07

Trade Facilitation



C&ED is committed to securing a favourable environment for doing business in Hong Kong and has kept a close view of new opportunities and challenges arising from regional and global developments. In particular, it plays an important role in facilitating trade and putting in place various clearance facilitation measures, with a view to further strengthening Hong Kong's status as an international trade centre and major logistics hub in the Asia-Pacific region, which is conducive to the long-term economic development of Hong Kong.


Intermodal Transshipment Facilitation Scheme and Single E-lock Scheme

C&ED launched the Intermodal Transshipment Facilitation Scheme (ITFS) in November 2010. Under the scheme, transshipment cargoes will normally be examined only once at either the point of entry or exit.

To further facilitate the transshipment of cargoes to and from the Mainland, C&ED and the Mainland Customs joined hands to launch the Single E-lock Scheme (SELS) in March 2016 by connecting ITFS with the Mainland Customs' Speedy Customs Clearance System with one single e-lock. The two Customs administrations monitor the cargoes based on the principle of "across the boundary with one single e-lock under separate monitoring". The green light on the e-lock is used to indicate the inspection result for the other party's reference. It thus reduces any duplicate inspection of the same shipment by both Customs administrations, saving time and cost for the industry.

In June 2023, SELS was successfully extended to Hunan Province, covering 78 clearance points in both Hong Kong and the Mainland. This provided the industry with over 820 cross-boundary route options. To further promote SELS, C&ED not only organised a joint-seminar on various Customs trade facilitation schemes in Hong Kong, but also held seminars jointly with the Mainland Customs in Zhuhai and Nanchang to introduce the latest development of SELS to the logistics industry and trade associations.



 The Hunan-Guangdong-Hong Kong Single E-lock Scheme was officially launched on 13 June 2023, with the first transportation truck departing from Changsha, Hunan.

Free Trade Agreement Transhipment Facilitation Scheme

C&ED launched the Free Trade Agreement Transhipment Facilitation Scheme (FTA Scheme) on 20 December 2015. Through the provision of Customs supervision and issuance of Certificates of Non-manipulation, the FTA Scheme facilitates the application for preferential tariff treatment under trade agreements signed between the Mainland and its trading partners for cargoes passing through Hong Kong.

The FTA Scheme currently covers 19 trade agreements and involves 67 countries/regions, of which 60 are Belt and Road economies.

covering
19
trade agreements

involving
67
countries/
regions

of which
60
are Belt and Road
economies



A Customs officer promoted the FTA Scheme at the Hong Kong Watch & Clock Fair and the Toys & Games Fair hosted by the Hong Kong Trade Development Council respectively.



Express Route for Air-Land Fresh and Live Products

To further promote the economic development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), C&ED is actively collaborating with the Mainland Customs and the Zhuhai Municipal Government to implement a new trade facilitation initiative known as “Air-Land Fresh Lane”, which aims to leverage the geographical advantages of the Hong Kong-Zhuhai-Macao Bridge (HZMB) and the Hong Kong International Airport to build a “Green Channel” for the seamless transportation of fresh food products between the GBA and overseas markets. With the application of technology such as accredited e-locks, transportation security is ensured, and clearance procedures of the two places are streamlined.

C&ED has set up a working group with the Airport Authority Hong Kong to devise facilitation measures and explore business opportunities. Meanwhile, C&ED has been working closely with the Mainland Customs and the Centre for Food Safety of the Food and Environmental Hygiene Department to formulate streamlined clearance procedures for fresh food products of the two places.

To cater for this facilitation scheme, the Mainland Customs is building a clearance facility for fresh products within the Zhuhai Port of the HZMB. Completion of works is expected in the second half of 2024.

Guangdong-Hong Kong-Macao Customs Clearance Information Platform

To minimise the inconvenience and confusion caused to passengers and the transport industry due to differences in customs controls of passengers and goods, tariffs and duties on goods and facilitation measures in Guangdong, Hong Kong and Macao, the three Customs administrations agreed to jointly develop the Guangdong-Hong Kong-Macao Customs Clearance Information Platform in March 2023 in order to enhance the efficiency of passenger and cargo clearance in the GBA.

The initiative aims to provide a one-stop enquiry service for passengers and the transport industry in the three places through an Internet site and a mobile application, allowing them to obtain real-time clearance information of the three Customs administrations, which includes Customs regulations, announcements, clearance guidelines, enforcement cases, clearance situations at control points of the three places, as well as an online intelligent chatbot to answer public enquiries, with a view to facilitating passenger clearance and enhancing clearance efficiency.



另類吸煙產品 轉運監管計劃

Alternative Smoking Product Transshipment Control Scheme

C&ED implemented the Alternative Smoking Product Transshipment Control Scheme (ATCS) on 30 June 2023 subsequent to the gazettal of the Import and Export (Amendment) Ordinance 2023 on the same day. The ATCS allows intermodal transshipment of alternative smoking products (ASPs) from the Mainland to overseas markets via the Hong Kong International Airport to meet the operational needs of the logistics industry while preventing leakage of ASPs into the local market.

Participants of ATCS shall register with C&ED and follow the security and procedural requirements set out in the practice guidelines when handling intermodal transshipment of ASPs. The ASPs concerned should be consigned on a through bill of lading from a place outside Hong Kong to another place outside Hong Kong via sea-to-air or land-to-air transshipment arrangements. Prior declaration should be made to C&ED, and the ASPs should be transported and stored in a secured manner, and directly transhipped to the specified cargo handling area of the Hong Kong International Airport along a designated routing under C&ED's monitoring. Upon completion of cargo unloading, the ASPs should be transferred to the cargo transshipment area pending exportation.

As of 31 December 2023, 28 operators including 27 for land-to-air and one for sea-to-air transshipment were registered under the scheme. A total of 979 ASP consignments (2 665 tonnes) have been transhipped, involving 561 (1 399 tonnes) by sea-to-air mode and 418 (1 266 tonnes) by land-to-air mode.

C&ED introduced the ATCS on 30 June 2023.



C&ED organised the “AEO Expert Mission and Symposium for ASEAN and Hong Kong, China” in November 2023 with the support of ASEAN.

Hong Kong Authorized Economic Operator Programme

To safeguard the international supply chain and facilitate global trade, C&ED launched the Hong Kong Authorized Economic Operator (AEO) Programme in 2012. The Programme allows local companies satisfying prescribed security requirements to be accredited as trusted partners, whose cargoes are eligible for reduced inspections and priority clearance at entry and exit points. Up to 2023, a total of 84 local companies were accredited as AEOs.

During the year, C&ED is striving to enhance co-operation with the Association of Southeast Asian Nations (ASEAN). With the support of ASEAN, C&ED organised the “AEO Expert Mission and Symposium for ASEAN and Hong Kong, China” in November, during which C&ED signed Action Plans for AEO Mutual Recognition Arrangement (MRA) with Customs administrations of Cambodia and the Philippines.

In addition, there has been significant progress in our work in the GBA. After ratifying the 14th MRA with the Macao Customs, C&ED signed the Memorandum of Understanding (MoU) on Enhancing AEO Co-operation in the Greater Bay Area with the Mainland and Macao Customs to bring more benefits to AEOs and foster trade development in the region.

C&ED signed the Action Plan for AEO MRA with the Cambodian Customs.



Development of Trade Single Window

The Trade Single Window (TSW) provides a one-stop electronic platform for the trade to lodge business-to-government import and export trade documents for trade declaration and cargo clearance. Implementation of the TSW will overhaul and enhance document submission workflows between relevant government departments and the trade to improve the efficiency of cargo clearance in Hong Kong, and consolidate Hong Kong's status as a prominent international trade centre and logistics hub. C&ED, being the TSW operator, established the Office of Trade Single Window Operation (OSWO) in 2018 to oversee the system operation and provide registration, training as well as helpdesk and hotline services to TSW users.



 The TSW is implemented in three phases.

Phase 1 - Achieving notable results

The TSW is implemented in three phases. Launched in 2018, Phase 1 services, covering 14 types of trade documents, is now in full service and well received by the trade. The average monthly usage rate reached 90% as at the end of December 2023. For some licences/permits, the usage rate even reached 100%.

Phase 2 - Implemented ahead of schedule

Phase 2 services, covering another 28 types of trade documents, were rolled out ahead of schedule between May and December 2023. In addition to significantly expanding the coverage, Phase 2 services have enhanced system functions to create better user experience.

Phase 3 - Developing full steam ahead

C&ED is working closely with the Single Window Project Management Office of the Commerce and Economic Development Bureau and relevant participating government agencies on the development of the Phase 3 system, which is targeted for roll-out in batches from 2026 onwards. Phase 3 is the final and most complex phase, which will cover Import and Export Declaration, Advance Cargo Information, Cargo Manifests and Cargo Reports in respect of different transport modes, and applications for the Certificate of Origin and Permit for Dutiable Commodities. In addition, a new and highly automated cargo risk assessment engine will be built to assist C&ED to perform risk assessment of cargo data and conduct cargo selection and examination.

Stepping up publicity to expand user base

To tie in with the roll-out of Phase 2, OSWO created a mascot called “Single Window-bot” to enhance publicity in a more effective manner. A new promotional video with “Single Window-bot” introducing the new features and benefits of TSW Phase 2 was also produced, with a view to encouraging the trade to register for the TSW as soon as possible.

In order to reach out to a wider spectrum of potential users, C&ED proactively organised large-scale seminars and collaborated with different industry associations and government departments to arrange briefings for promotion and publicity purpose.



Single Window-bot

Large-scale seminars are held.



08

Co-operation with Mainland/ International Counterparts



Mainland Customs

C&ED has all along been forging stronger ties with the Mainland Customs and achieved fruitful outcomes in various aspects of co-operation. Regular review meetings and liaison meetings are convened with the General Administration of Customs of the People's Republic of China (GACC) and the Guangdong Sub-Administration of the General Administration of Customs (GSAC) to review and explore ways to further enhance co-operation. In 2000, a Customs co-operative arrangement was signed between C&ED and the GACC to actively expand and deepen collaboration, with a view to further strengthening mutual co-operation in the areas of passenger, cargo and vehicle processing, anti-smuggling, anti-narcotics, protection of intellectual property rights (IPRs) and provision of administrative assistance. In 2023, various meetings and exchange activities with the Mainland Customs were conducted. Moreover, the Co-operative Arrangement on Deepening Risk Management Co-operation and the Co-operative Arrangement on Smart Customs Development were signed with the GACC in February and November respectively; the Co-operative Arrangement on Exchange and Co-operation was signed with the Shanghai Customs College (SCC) in September; and the Memorandum of Understanding (MoU) on Enhancing Authorized Economic Operator (AEO) Co-operation in the Greater Bay Area among Mainland, Hong Kong and Macao Customs was signed with the GACC and the Macao Customs Service (MCS) in November.



The then Deputy Commissioner of Customs and Excise (Management and Strategic Development), Mr. Ellis LAI (second left), and the President of the SCC, Mr. CONG Yuhao (second right), witnessed the signing of the Co-operative Arrangement on Exchange and Co-operation between the SCC and the Hong Kong Customs College at the SCC in September 2023.



Macao Customs Service

C&ED has been working hand in hand with the MCS over the years in the areas of revenue protection, anti-narcotics, anti-smuggling, protection of IPRs as well as training and intelligence exchange. Both administrations also endeavour to seize our country's development opportunities in the Guangdong-Hong Kong-Macao Greater Bay Area. Regular liaison meetings and annual meetings are convened with a view to strengthening co-operation between the two Customs administrations. In 2023, various meetings and exchange activities with the MCS were conducted. Moreover, the Co-operative and Mutual Assistance Arrangement and the AEO Mutual Recognition Arrangement (MRA) were signed, and the MoU on Enhancing AEO Co-operation in the Greater Bay Area among Mainland, Hong Kong and Macao Customs was also signed by both administrations with the GACC in November.



The Commissioner of Customs and Excise, Ms. Louise HO (second left), signed the Co-operative and Mutual Assistance Arrangement and the AEO MRA with the Director-General of MCS, Mr. VONG Man-chong (second right) in November 2023.

World Customs Organization

Established in Brussels in 1952, the World Customs Organization (WCO) is dedicated to the simplification and harmonisation of Customs systems and procedures, advancement of Customs techniques, improvement of Customs operations and promotion of co-operation among members to facilitate international trade. C&ED has been actively participating in various WCO meetings, including the 24th WCO Asia/Pacific (A/P) Regional Heads of Customs Administrations Conference held in Perth, Australia in May 2023, the 141st/142nd Customs Co-operation Council Sessions of the WCO held in Brussels, Belgium in June 2023, and the 33rd WCO A/P Regional Contact Points Meeting held in Melbourne, Australia in October 2023, to promote mutual assistance and co-operation among members of the A/P region and to outline the vision and aspiration of C&ED as the WCO Vice-Chairperson for the A/P Region for 2024 – 26.

WCO Vice-Chairperson for the A/P Region (2024–26)

In May 2023, C&ED, in the name of Hong Kong, China, was unanimously nominated as the next WCO Vice-Chairperson for the A/P Region (2024–26). Once the nomination is confirmed, C&ED has assumed the position in July 2024 for a term of two years until June 2026. Given that Hong Kong has a high degree of connectivity globally with the rest of the world and domestically with Mainland China, taking up a pivotal role in intergovernmental organisations like WCO presents a valuable opportunity for C&ED to further enhance Hong Kong's international image and reinforce global and regional partners' confidence in Hong Kong. Besides, through the pivotal role in WCO, C&ED can assist in safeguarding multilateralism and promoting international co-operation; enhancing effectiveness in regional law enforcement; and strengthening the Department's capability through proposing agenda and collaboration, which would contribute to not only Hong Kong but also the entire region.



The Commissioner of Customs and Excise, Ms. Louise HO (left), led a delegation to attend the 24th WCO A/P Regional Heads of Customs Administrations Conference in Perth, Australia. Unanimous nomination from members to Hong Kong, China, as the next Vice-Chairperson for the A/P region was received.



The Commissioner of Customs and Excise, Ms. Louise HO (left), had a courtesy meeting with the then Consul General of Austria to Hong Kong, Mr. Karl Ernst (middle), at the Customs Headquarters Building.

Officials Visiting C&ED

Consulate General of Austria in Hong Kong

On 17 March 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a courtesy meeting with the then Consul General of Austria to Hong Kong, Mr. Karl Ernst, to enhance bilateral co-operation and establish closer ties.

Embassy of Belarus in China

On 3 May 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a courtesy meeting with the then Ambassador of Belarus to China, Mr. Yuri Senko, to enhance bilateral co-operation and establish closer ties.

Office of the European Union to Hong Kong

On 8 May 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a meeting with the Head of Office of the European Union to Hong Kong, Mr. Thomas Gnocchi, to exchange views on reinforcing mutual communication and enhancing co-operation in the protection of IPRs and the combating of dangerous drugs, as well as on AEO MRA.

Consulate General of Italy in Hong Kong

On 6 June 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a courtesy meeting with the Consul General of Italy to Hong Kong, Mr. Carmelo Ficarra, to enhance bilateral co-operation and establish closer ties.

Consulate General of Denmark in Guangzhou

On 23 June 2023, the then Acting Commissioner of Customs and Excise, Mr. CHAN Tsz-tat, had a courtesy meeting with the Consul General of Denmark to Guangzhou, Mr. Søren Bindsbøll, to enhance bilateral co-operation and establish closer ties.

Thai Customs Department

On 4 September 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a bilateral meeting with the then Director-General of Thai Customs Department, Mr. Patchara Anuntasilpa, to exchange views on reinforcing mutual communication and enhancing co-operation.

Group photo of the Commissioner of Customs and Excise, Ms. Louise HO (front row, second right) with the then Director-General of Thai Customs Department, Mr. Patchara Anuntasilpa (front row, second left) at the Customs Headquarters Building before bilateral meeting.



Danish Patent and Trademark Office

On 22 September 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a bilateral meeting with the Director General and Chief Executive Officer of the Danish Patent and Trademark Office, Mr. Sune Stampe Sørensen, to exchange views on reinforcing mutual communication and enhancing co-operation in the protection of IPRs.

➤ The Commissioner of Customs and Excise, Ms. Louise HO (second left), had a bilateral meeting with the Director General and Chief Executive Officer of the Danish Patent and Trademark Office, Mr. Sune Stampe Sørensen (third right), at the Customs Headquarters Building.



General Department of Vietnam Customs

On 22 September 2023, the Commissioner of Customs and Excise, Ms. Louise HO, had a bilateral meeting with the Director General of the General Department of Vietnam Customs, Mr. Nguyen Van Can, to enhance bilateral co-operation and establish closer ties.

Customs Co-operative Arrangements

In an effort to enhance co-operation in intelligence exchange and strengthen enforcement against transnational crimes, C&ED strives to establish collaboration with overseas Customs administrations by signing bilateral co-operative arrangements. C&ED has so far concluded 31 Customs Co-operative Arrangements (CCAs) with other Customs counterparts. Besides, the HKSAR Government concluded a legally binding Customs Cooperation Agreement with the European Community (now known as the European Union (EU)) in 1999 to enhance co-operation between the Department and the Customs administrations of the EU member states.

National Superintendency of Customs and Tax Administration of the Republic of Peru

The Commissioner of Customs and Excise, Ms. Louise HO, signed the CCA with the Deputy National Superintendent of Customs of the National Superintendency of Customs and Tax Administration of the Republic of Peru, Ms. Martha Elba Garamendi Espinoza, during an interval at the 141st/142nd Customs Co-operation Council Sessions of the WCO in Brussels, Belgium on 23 June 2023.

Maldives Customs Service

The Commissioner of Customs and Excise, Ms. Louise HO, signed the CCA with the Commissioner General of the Maldives Customs Service of the Republic of Maldives, Mr. Abdulla Shareef, during an interval at the 141st/142nd Customs Co-operation Council Sessions of the WCO in Brussels, Belgium on 24 June 2023.

● The Commissioner of Customs and Excise, Ms. Louise HO, (second right) signed the CCA with the Commissioner General of the Maldives Customs Service of the Republic of Maldives, Mr. Abdulla Shareef (second left), during an interval at the 141st/142nd Customs Co-operation Council Sessions of the WCO in Brussels, Belgium on 24 June 2023.



Personnel Exchange

C&ED has been maintaining close ties with the global Customs community and seconding Customs officers to various WCO offices, including the Compliance and Facilitation Directorate in Belgium, the Regional Intelligence Liaison Office for Asia and the Pacific in Korea as well as the Asia/Pacific Regional Office for Capacity Building in Thailand.



Customs officers seconded to the WCO Compliance and Facilitation Directorate (top), the Regional Intelligence Liaison Office for Asia and the Pacific (bottom left) and the Asia/Pacific Regional Office for Capacity Building (bottom right) attended international conferences.

To support INTERPOL in assisting its 196 members to curb international trafficking of illicit goods and dismantle organised syndicates, and to expand C&ED's co-operation network with overseas law enforcement agencies in combating smuggling activities and transnational intellectual property (IP) crimes, C&ED has seconded officers to INTERPOL's General Secretariat at Lyon of France.

In May 2023, the Intellectual Property Investigation Bureau (IPIB), through INTERPOL's co-ordination, was invited to attend an operational meeting on anti-counterfeit electronic products organised by EUROPOL in Prague, the Czech Republic. By participating in the meeting, C&ED not only shared its achievements in transnational IPR enforcement with overseas law enforcement officers, but also strengthened our post-pandemic collaboration with overseas counterparts. In September 2023, IPIB officers attended the 16th International Law Enforcement IP Crime Conference in Oslo, Norway to enhance collaboration with IP stakeholders in combating transnational and online IPR infringement activities. In November 2023, IPIB officers attended the 20th WCO Counterfeiting and Piracy Group Meeting and a side-meeting with WCO in Brussels, Belgium to exchange views with the WCO and its members on IPR enforcement strategies and measures, and explore various initiatives to strengthen collaboration.



A delegation of the Intellectual Property Investigation Bureau attended the 20th WCO Counterfeiting and Piracy Group Meeting in Brussels, Belgium in November 2023.

The 21st Meeting of Heads of World Customs Organisation Asia/Pacific Regional Training Centres

The Hong Kong Customs College, as one of the Asia/Pacific Regional Training Centres (RTCs) of the WCO, participated in the 21st Meeting of Heads of the WCO RTCs held in Japan from 14 to 16 November 2023.

The meeting provided a platform for the Heads of RTCs to exchange views on WCO's up-to-date regional training and development policies and strategies, and share good practices in Customs training. C&ED's representative gave a presentation on the experience in the continuous enhancement of training professionalism and the nurturing of a new Customs generation, and highlighted the training programmes accredited under the Hong Kong Qualifications Framework (i.e. Induction Courses and Passenger/Cargo Processing Courses), training tools encompassing innovation and technological advancement (e.g. CAVE automatic virtual environment) and various secondment programmes designed to broaden officers' horizons.

Senior Staff Officer (Training and Development), Mr. Eddie LAI (left), exchanged experience in Customs training with the Director of the WCO Capacity Building Directorate, Dr. Taeil KANG (right) and the Head of the Asia/Pacific Regional Office for Capacity Building, Mr. Norikazu KURAMOTO (centre).



09

Information Technology



C&ED has been adopting information technology (IT) in different work domains to enhance operational efficiency and service quality. To advance with the rapid IT development in recent years, more innovation and technology (I&T) have been adopted by C&ED to meet its existing and future operational needs.

Information Systems Strategy Study (ISSS)

C&ED conducted the Information Systems Strategy Study (ISSS) between 2019 and 2020, with the aim of formulating a holistic and up-to-date IT strategic plan for the coming decade and beyond. According to the ISSS's findings, C&ED can optimise the use of I&T, such as cloud computing, big data analytics and artificial intelligence (AI), to achieve digital transformation and ultimately evolve into a data-driven organisation.

Based on the recommendations of the ISSS, C&ED is proactively preparing for the building of the "Smart Customs Information Technology Infrastructure" which comprises the cloud infrastructure, "Customs Big Data Application System" and IT security enhancement. The project, targeted to be fully commissioned in 2026, echoes the national strategy of promoting technological advancement. By leveraging innovative and revolutionary technologies, such as cloud computing, big data analytics, machine learning, natural language processing and video analytics, the project enables C&ED to address operational needs and integrate into the rapidly evolving I&T landscape.

Application of Innovation and Technology

The "Smart Customs Interactive Response System" combines the application of AI technology, natural language processing and machine learning. Through the "Virtual Customs Ambassador – XiaoHui", the system can handle enquiries on our work and provide information on control points for members of the public in real time. XiaoHui is now providing service on the Customs website and at the Hong Kong International Airport, the Heung Yuen Wai Control Point, the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port and the West Kowloon Station of the Guangzhou-Shenzhen-Hong Kong Express Rail Link. C&ED is planning to extend the service to other control points as well as various social media platforms so as to bring convenience to more travellers from the Mainland and around the world.

XiaoHui can handle enquiries from travellers around the world with her biliterate and trilingual capability and provide information on control points.



Information Systems in Trade Facilitation and Customs Enforcement

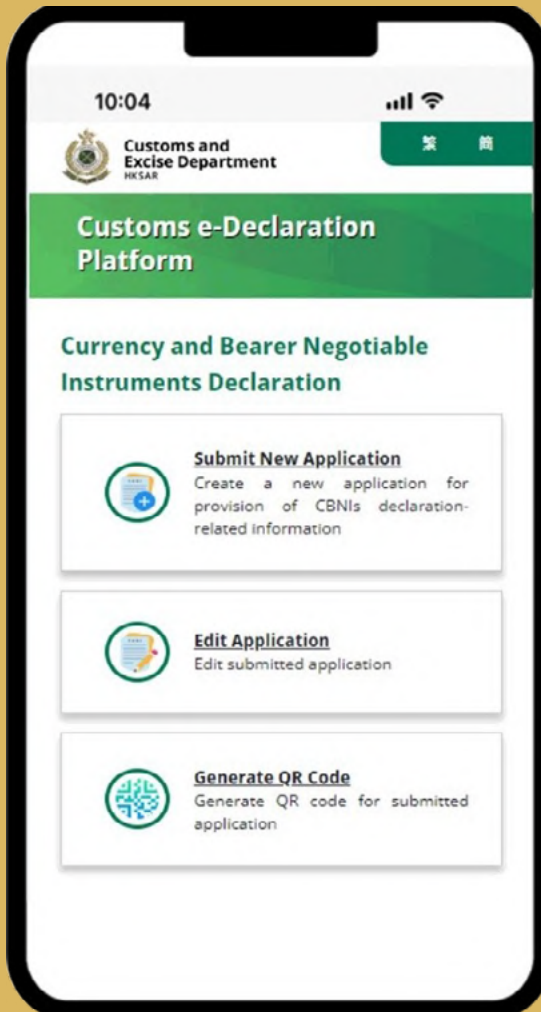
C&ED is committed to promoting e-commerce via the construction of electronic platforms that facilitate submission of trade information and application for specific licences. In this regard, the "Trade Single Window", the "Road Cargo System" (ROCARS), the "Air Cargo Clearance System" (ACCS), the "Motor Vehicles First Registration Tax System", the "Money Service Operators Licensing System", the "Dutiable Commodities System", the "Currency and Bearer Negotiable Instruments Declaration System" and the "Dealers in Precious Metals and Stones Registration System" have been set up to provide service to the public. Newly developed IT systems have also been linked up to the "iAM Smart" platform, enabling users to log in to online services with a single digital identity and enjoy a brand new experience.

To tie in with the rapid development of the e-commerce industry, C&ED has been enhancing its electronic platforms to handle the ever-increasing amount of Customs clearance work. On 1 February 2024, C&ED launched the Guangdong-Hong Kong "Single Submission for Dual Declaration" Scheme on cargo, which allows traders to enjoy the benefits of interconnectivity between the Mainland and Hong Kong. The scheme is a trade facilitation measure built on the China (Guangdong) International Trade Single Window Cargo Declaration System (Guangdong Platform) and the ROCARS (Hong Kong Platform). It facilitates Customs declarations for both the Mainland and Hong Kong sides by a single submission of cargo information. Export cargo information declared by Mainland enterprises through the Guangdong Platform would be encrypted and sent to the Hong Kong Platform, from which Hong Kong importers could retrieve the relevant cargo information for completion of local Customs declaration.



Being the major information systems in facilitating the clearance of intermodal transshipment cargoes, ACCS and ROCARS have been enhanced to effectively regulate alternative smoking products (ASPs) imported under the Alternative Smoking Product Transshipment Control Scheme (ATCS). New features such as ATCS registration process and connecting flight information have been added to the information systems to bring convenience to registered operators under the scheme and to tighten the control of ASP transshipment, thereby securing Hong Kong's position as an international trade centre.

Furthermore, to dovetail with the pilot run of the Cross-boundary Express Cargo Clearance Facilitation Arrangement (CEFA) in April 2024, ACCS and ROCARS were also enhanced to facilitate advance cargo information submission by the participating express cargo operators for risk assessment. Under the Scheme, qualified express cargo operators are provided with on-site Customs clearance service at designated locations in the city, thus reducing the time required for unloading, searching the express cargo for Customs action and loading the goods vehicles at land boundary control points.



Provision of New Information Technology Facilities

To support C&ED's future operation, new IT facilities will be provided at the expanded SkyPier Terminal, the DHL Central Asia Hub Expansion, the Transit Mail Centre and the Three-Runway System. The above facilities are scheduled for commissioning between 2024 and 2026.

To facilitate travellers' declaration and disclosure of the possession of a large quantity of currency and bearer negotiable instruments (CBNIs), C&ED is developing a new electronic platform for advance submission of CBNIs information. Instead of filling in paper forms on the spot, travellers can save time by submitting CBNIs information through the electronic platform prior to their arrival in/departure from Hong Kong and present the QR codes or reference numbers generated by the system to Customs officers at control points. With the introduction of new technology and procedures, the processing time of CBNIs declaration will be shortened and travellers can enjoy better clearance experience.



Electronic platform for CBNIs declaration

Computer Forensic Laboratory

C&ED has set up the Computer Forensic Laboratory (CFL) and the Computer Analysis and Response Team (CART) to assist frontline investigators in the analysis and restoration of digital evidence, and to provide evidence for prosecution in court.

During the year, the CFL and CART continued to assist frontline officers in combating advanced technology crime and cybercrime. For example, following the implementation of the Copyright (Amendment) Ordinance 2022 on 1 May 2023, the CFL has provided technical support to investigation officers to extract relevant digital evidence from seized illicit streaming devices. The CFL also provided training workshops to investigation officers to offer them hands-on experience in seizing cryptocurrency suspected to be crime proceeds. To enhance the skills and expertise in digital forensics, the CFL sent officers to sit for examinations. They eventually became the first batch of Customs officers to obtain the “Digital Forensics Examination Techniques Accreditation” awarded by the Ministry of Human Resources and Social Security of the People’s Republic of China.

Since its establishment, the CFL has processed 1 542 cases involving infringement of intellectual property rights, internet piracy, money laundering, drug trafficking, smuggling, false trade descriptions and revenue frauds.



A Computer Forensic Examiner provided technical support at the scene of the crime.

Workshop on seizure of cryptocurrency conducted at the CFL.



Computer Forensic Examiners were accredited by the Ministry of Human Resources and Social Security of the People's Republic of China.

Advanced Training Technology

Chinese-style Foot Drill Training Application

To improve training effectiveness and keep abreast of the rapidly evolving digital world, the Office of Training and Development (OTD) and the Department of Computing of the Hong Kong Polytechnic University jointly initiated a training project on the development of an interactive training kiosk on Chinese-style foot drill which incorporated the technologies of motion detection, vision analytics and machine learning. Apart from enriching the training experience of new recruits and deepening their understanding of Chinese-style foot drill, the training kiosk also serves to enhance the sense of national identity by promoting Chinese-style foot drill.



The Hong Kong Customs College is open to the public on the National Security Education Day, and visitors can try out the Chinese-style Foot Drill Training Application.

The Immersive Cave Automatic Virtual Environment System

OTD implemented the innovative learning tool “Cave Automatic Virtual Environment” (CAVE) in the first quarter of 2023. By leveraging the latest technologies, such as Virtual Reality (VR), CAVE helps trainees learn abstract ideas and practical skills from veterans in performing frontline duties, hence deepening their impression. It also enables them to experience investigation work at complex crime scenes, and understand various concealment methods and smuggling scenarios in a controlled and virtual environment before performing actual duties.



Trainees learn performing frontline duties through CAVE.



The “VR Assisted Training for Inspection of Imported Goods”

In December 2022, the WCO Asia/Pacific Regional Training Centre – Hong Kong installed a VR training set, which included a headset, a controller, a high-end computer, a TV screen and a kiosk. The VR training set, developed by the WCO Virtual Reality Training Programme at the WCO Headquarters with the support of the Customs Cooperation Fund Korea, is designed to assist Customs officers around the world in learning through VR technology the basic procedures for conducting physical inspection of containerised cargo at maritime ports.



The VR Training Set installed at the WCO Asia/Pacific Regional Training Centre – Hong Kong



10

Projects



EVER since 2019, along the path of Hong Kong's "Smart City" development, C&ED has promulgated the "Smart Customs Blueprint" by constructing four key pillars, namely the "Smart Boundary Management", "Smart Investigation and Case Management", "Smart Trade Facilitation" and "Smart Business Development" so as to tie in with the development of the "Guangdong-Hong Kong-Macao Greater Bay Area (GBA)" and "the Belt and Road Initiative".

I. Smart Customs Blueprint

Under the Blueprint, C&ED focused on the development of advanced equipment for Customs clearance, big data and artificial intelligence (AI) analysis and reinforcement of interconnection to strengthen its role as “law enforcer and service provider” and “trade facilitator” and shoulder a diversified role by becoming an “economic development promoter” and maintaining Hong Kong’s status as a “safe city”, “business city” and “investment city”. To date, C&ED has implemented and been actively developing a series of smart initiatives.

Moreover, since the General Administration of Customs of the People’s Republic of China (GACC) has launched the Smart Customs Initiative, with smart construction as core of the initiative, C&ED has shown full support and brought the Smart Customs Blueprint in line with the GACC’s Initiative. The Department has invested substantially in developing technology such as AI, block chain, cloud computing and big data analytics to achieve integrated smart customs through innovation and technology.

In November 2023, C&ED signed the Co-operative Arrangement on Smart Customs Development with the GACC to lay a solid foundation for mutual co-operation with smart construction as the core. The integration of Smart Customs not only helps expand the scope of cross-boundary collaboration between both Customs administrations, it also facilitates the enhancement of governance systems and the governance of C&ED, and serves as a major key for C&ED in fostering the development of the Guangdong-Hong Kong-Macao GBA. C&ED will continue to deepen the exchanges and co-operation with the GACC.

(1) Advanced Equipment for Customs Clearance

C&ED kept introducing advanced inspection equipment, for instance, Computed Tomography (CT) Scanner with artificial intelligence function to provide 360-degree scanned images with no blind spots and automatic recognition of dangerous drugs and other contrabands; Auto-detection Device for existing X-ray checker with AI functions embedded to assist in screening for suspicious objects and automatic detection of various contrabands, such as firearms and ammunition, gun parts and weapons. Besides, C&ED also used the Smart Under Vehicle Robot, which applies AI to conduct contraband detection by comparison of under-vehicle images and thus enhance the capability in combating smuggling activities of cross-boundary vehicles. These advanced inspection equipment could greatly facilitate the clearance efficiency and enhance the ability in combating smuggling and other customs-related offence.



Smart Under Vehicle Robot




Meanwhile, smart initiatives to enhance the services provided to travellers and the trades at and beyond control points will be rolled out in phases. In respect of cargoes, C&ED introduced the Air Cargo Clearance Queuing System, which enabled cargo agents of the logistics sector to queue up for collection of cargoes by using mobile devices to minimise the waiting time. C&ED also completed a feasibility study on the Single E-lock Scheme 2.0 and kick-started the procurement of the relevant system for enhancement of the security and compatibility of the E-lock with a view to accelerating the flow of transshipment cargoes within the GBA. As regards passengers, an interactive response system, which includes the introduction of Virtual Customs Ambassadors at control points and an online chatbot on the Customs website, has been developed to provide instant, accurate and consistent responses to public enquiries. The whole system was put in place in December 2023.



C&ED introduced the Virtual Customs Ambassador to handle public enquiries.

(2) Big Data and Artificial Intelligence Analysis

Starting from 2020, C&ED has introduced sophisticated analytics systems in phases, including the Platform for X-ray Image Evaluation, Vehicle Inspection and Strategic Analysis System, Cargo Big Data System and Smart Liquor Duty Assessment to aid risk profiling on passenger, cargo and vehicle clearance at control points for enhancing clearance efficiency as well as strengthening detection of cross-boundary contrabands. Moreover, to ensure consumer safety and public health, C&ED has introduced a portable Non-contact Healthcare Multimeter which can quickly test the types and concentrations of alcohol content of alcoholic disinfection products and determine whether they contain methanol.

 Vehicle Inspection and Strategic Analysis System



 Non-contact Healthcare Multimeter

Building on the success of the Intellectual Property Rights (IPR) Big Data Analytics System for combating IPR crimes, C&ED continues to expand the system to cover other offences enforced by the Department with a view to developing the Customs Crime Analytics System (CCAS). C&ED completed the Proof-of-Concept (PoC) study of CCAS and an all-in-one database is under development. C&ED also completed the PoC study of the Smart Seizure Management System, aiming at better rationalising the control and security of seizures during deposit, storage and retrieval stages, with the application of modern technologies.



Smart Seizure Management System



(3) Reinforcement of Interconnection

C&ED has introduced an online self-assessment tool, namely Authorized Economic Operator (AEO) iPASS to facilitate self-understanding of C&ED's certifying standards and initial self-assessment by companies that are interested in joining the Hong Kong AEO Programme. To further enhance supply chain security and user friendliness of Customs clearance, connection with the Customs administrations of other economic entities through an AEO data exchange platform (APEX) was established. Automated exchange of AEO data with the Mainland Customs through this platform was implemented in order to allow AEOs to enjoy faster clearance service by more efficient, secure and timely transmission of AEO data between the two places. Besides, C&ED has collaborated with the Hong Kong Export Credit Insurance Corporation to provide Hong Kong AEOs with 10 free buyers' credit checks starting from 1 August 2023, which will assist them in coping with the market risk while expanding their business.



II. New Control Points and Infrastructural Projects

Infrastructural projects are in the pipeline to support Hong Kong's continued economic development and to cope with the increasing cross-boundary traffic.

(1) Three-Runway System

To meet future air traffic growth and maintain Hong Kong's competitiveness as an international aviation hub, the Airport Authority Hong Kong (AAHK) is working full steam ahead with the Hong Kong International Airport (HKIA) Three-Runway System (3RS) project as scheduled, with the target of commissioning at the end of 2024. The AAHK will open relevant passenger facilities in phases in light of passenger traffic demand.

Commenced in August 2016, the construction of 3RS comprises different components, including construction of the Third Runway, taxiways and aprons; expansion of Terminal 2 and construction of the Terminal 2 Concourse to accommodate more arriving and departing passengers; and installation of a new automated people mover system and a high-speed baggage handling system connecting Terminal 2 with the Terminal 2 Concourse. The HKIA is expected to be able to meet the target of handling 120 million passengers and 10 million tonnes of cargo annually from 2035 onwards.



Three-Runway System

(2) SkyPier Terminal (formally named as Intermodal Transfer Terminal)

The AAHK developed the SkyPier Terminal to meet the anticipated demand from additional transfer passengers at the HKIA following the opening of the Hong Kong-Zhuhai-Macao Bridge (HZMB).

The development works of the SkyPier Terminal includes expansion and modification of the SkyPier and a bonded road linking to the Hong Kong Boundary Crossing Facilities of HZMB. The SkyPier Terminal commenced operation on 30 August 2023.



Source: Airport Authority Hong Kong



SkyPier Terminal

New Huanggang Port under construction

Source: Security Bureau



(3) Redevelopment of Huanggang Port

The building at the Huanggang Port, situated in Shenzhen, will be redeveloped in-situ. Targeted to be completed by the end of 2025, the new Huanggang Port Building will be a multi-storey building, in which customs, immigration and quarantine clearance facilities and public transport interchanges for the Mainland and Hong Kong will be set up on different floors, laying the foundation for implementing co-location arrangement at the new port to facilitate passenger clearance and enhance clearance efficiency.

(4) Intermodal Air Cargo Handling Facility

The Chief Executive announced in his 2022 Policy Address that the Government would reinforce intermodal transport by integrating air, sea and land transport to strengthen the key role played by Hong Kong in the logistics chain of the GBA. The AAHK has set up the “Hong Kong International Airport Dongguan Logistics Park” in Dongguan and the “Airside Intermodal Air Cargo Handling Facility” at the HKIA to facilitate sea-air cargo transshipment between Hong Kong and the GBA. C&ED provides one-stop Customs clearance service for cargoes and applies technology to manage smuggling risks and reduce the need for cargo inspection, thereby expediting the cross-boundary flow of transshipment cargoes and upholding Hong Kong’s role as a logistics hub.

A vessel, conveying sea-air transshipment cargoes, is heading to Airside Intermodal Air Cargo Handling Facility.



Source: Security Bureau



Frontline Customs officers conduct security checking on the sea-air transshipment cargoes .

The cargo will be directly transferred to the cargo transshipment area for storage and pending exportation.

11

Human Resources Development



THE Administration and Human Resource Development Branch is responsible for organising and co-ordinating training and development programmes for members of the Customs and Excise Service and of the Trade Controls Officer Grade to enhance their awareness of national security and integrity, and promote welfare and occupational safety and health related issues. To equip Customs officers with advanced professional knowledge and skills for continuous career development, C&ED makes significant efforts in staff training and development by adopting a competency-based strategy, supplemented by personal development programmes for individual staff.

Foundation Learning and Development

Human resources are the most valuable assets in an organisation. To allow new recruits a firm grasp of practical work knowledge and skills, the Hong Kong Customs College (HKCC) has been providing high quality foundation training by proactively upgrading instructors' qualifications, teaching facilities and materials, and course syllabuses.

In addition to the Constitution, the Basic Law, the Hong Kong National Security Law, Laws of Hong Kong, Chinese-style foot drill, discipline and integrity, a diverse mix of knowledge (e.g. Chinese history, national education, import and export trade practices, leadership, use of force and Putonghua) has been incorporated into the induction training for both newly recruited Inspectors and Customs Officers. To familiarise trainees with their working environment, practical training with simulated and interactive exercises have been introduced. Since 2023, a study visit to the Shanghai Customs College (SCC) was arranged for Inspector inductees to foster their connection with the Motherland and deepen their understanding of the development in the Mainland.

HKCC passed the professional assessment by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications for accreditation of the Passenger Processing Course and Cargo Processing Course at Qualifications Framework (QF) Level 4 (the same QF level as a local Associate Degree or a Higher Diploma). Besides, HKCC also passed the re-accreditation of the Inspector Induction Course at QF Level 5 (the same QF level as a local Bachelor's Degree) and the Customs Officer Induction Course at QF level 4. All four courses were granted the longest validity period of four years. In 2023, 92 probationers were awarded the "Professional Certificate in Customs Control and Enforcement (Passenger Clearance)" and 89 probationers were awarded the "Professional Certificate in Customs Control and Enforcement (Cargo Clearance)". Meanwhile, 123 Probationary Inspectors and 173 Probationary Customs Officers joined the Inspector Induction Course and the Customs Officer Induction Course respectively in 2023, and were awarded the "Professional Diploma in Customs Management for Inspectors" and the "Professional Diploma in Customs Operations for Customs Officers" respectively.



Physical Fitness Training



Firearms Training

HKCC has been collaborating with the Hong Kong Metropolitan University (formerly known as the Open University of Hong Kong) (the HKMU) to strengthen enforcement training of the Inspector Induction Course and the Customs Officer Induction Course, and provide articulation pathways for the graduates. Apart from concepts of criminology, sociology and psychology delivered by university lecturers, the enhanced training also covers knowledge in conflict management, media relations, etc. Graduates will be awarded the “Certificate in Law Enforcement and Customs Management” by the HKMU, and are entitled to credit exemptions when pursuing relevant programmes offered by the HKMU in the future.

C&ED attaches great importance to professionalism of all grades of law enforcement staff and strives to provide them with quality training. The Assistant Trade Controls Officer Induction Course (ATCOIC) aims at imparting the required fundamental knowledge of a newly recruited Assistant Trade Controls Officer (ATCO), the essential practical knowledge of an officer of the Trade Controls Branch to discharge duties, and the knowledge about conduct, discipline and personal development. Since October 2020, the ATCOIC has been accredited as a QF Level 5 programme. It is the first ever civilian law enforcement induction course accredited at QF Level 5. In 2023, 36 Probationary ATCOs joined the ATCOIC and were awarded the “Professional Diploma in Trade Controls for Assistant Trade Controls Officer” at QF Level 5 in 2024.



The Customs and Excise Guards of Honour performed an exhibition drill in the passing-out parade on 24 March 2023.



In the passing-out parade on 8 December 2023, the Customs and Excise Guards of Honour and passing-out officers adopted the Chinese-style foot drill to form a pattern symbolising the District Council election, appealing to voters to vote in the “2023 District Council Ordinary Election”.

HKCC Professional Development Training Block

The Professional Development Training Block (PDTB) provides a venue for conducting practical and simulated exercises in the induction training and in-service training. Major facilities in the PDTB include vehicle search cum cargo examination area, passenger clearance channels, mock bilge, simulated shooting range, video interview room, identification parade room, mock court and mock residential unit. To facilitate learning, an innovative learning tool “Cave Automatic Virtual Environment”, which leverages the latest Virtual Reality training technologies, was launched at the PDTB in April 2023.

The image shows the exterior of the Professional Development Training Block (PDTB) building. The building is a multi-story structure with a light-colored facade. The name of the building is prominently displayed in large, dark characters in both Chinese and English. The Chinese characters are '專業發展訓練大樓' and the English characters are 'PROFESSIONAL DEVELOPMENT TRAINING BLOCK'. To the left of the English text is the Hong Kong Police Force crest. The building features several balconies with metal railings. The background is a solid green color with a pattern of white hexagons of varying shades.

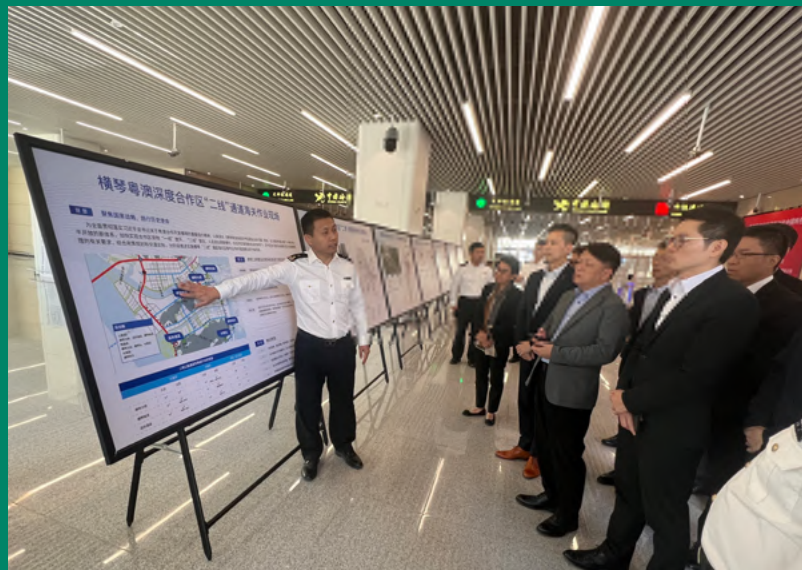
Personal Development of Staff

C&ED adopts a schematic approach in training senior and middle managers. In 2023, six senior officers were sent to attend leadership development programme organised by the Civil Service College (CSC). To further enhance the leadership and management competence of the managers, and foster exchanges and co-operation with Macao law enforcement agencies, two officers from the Macao Customs and the Polícia Judiciária were invited for the first time to attend the Customs Management Development Course (CMDC) organised by the Department with 14 C&ED senior officers. Besides, the Office of Training and Development (OTD) organised a Customs Command Course (CCC), which aimed to enhance officers' skills and knowledge of work planning and modern management. A total of 22 officers participated in the course.

To strengthen middle managers' national identity awareness and professional knowledge of politics, economics, public administration and public policies, C&ED sent four officers to attend a 2.5-year part-time Executive Master of Public Administration Programme organised by the Tsinghua University and one officer to attend a two-year Master Degree in Public Policy Programme organised by the Peking University in 2023.

C&ED is dedicated to enhancing Service members' enforcement knowledge and providing them with articulation pathways for Bachelor's Degree Programmes. HKCC collaborates with the HKMU to launch a one-year part-time Bridging Course, "Certificate in Law Enforcement and Customs Management". A total of 22 Customs officers graduated from the course in 2023. Upon completion of the course, officers will be entitled to credit exemptions when pursuing the "Bachelor of Social Sciences in Law Enforcement and Security Management" (or with Honours) in the future.

C&ED has also collaborated with the Hong Kong Police Force (HKPF) and arranged officers to attend the Standard Criminal Investigation Course and the Criminal Intelligence Analysis Training organised by the HKPF. The courses aim to equip participants with the knowledge and skills required for criminal investigation and criminal intelligence analysis. In 2023, a total of 12 officers took the courses.



Participants of the CMDC visited the Hengqin Port for deepening their understanding of the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

Continuous Learning and Development

C&ED adopts a multi-pronged approach in promoting continuous learning and development in order to meet the ever-changing enforcement environment and rising public expectations. In addition to conventional classroom training, individual officers may study e-Learning programmes at their own pace through the Customs Portal for self-learning.

C&ED also collaborates with the CSC to deliver 66 e-Learning programmes through the Cyber Learning Centre Plus, encompassing topics related to operational skills, communication, legal knowledge, integrity, constitution and national security.

To encourage continuous learning, C&ED sponsors officers to pursue part-time Master Degree Programmes related to criminology, public administration and big data analytics. As a driving force for continuous development, C&ED holds annual Promotion Qualifying Examinations for Inspectors and Customs Officers to maintain their professionalism.

Specialised Training

Customs officers often face unpredictable risks and challenges in carrying out enforcement duties. OTD provides frontline officers with a range of specialised training courses which aim to enhance their safety awareness, strengthen their ability to handle various threats, and bolster their search and arrest techniques. Besides, OTD also offers various courses to train officers in investigation and operational planning skills in order to combat organised crime.



Customs officers were receiving training on operational skills and tactics.

Criminal Prosecution Training

To ensure successful prosecution of criminal cases, the Service Prosecution Group organised a considerable number of training courses and sharing sessions on prosecution-related matters for frontline officers, including court procedures and trial preparation, court attendance and case handling, prosecution and forfeiture procedures, mock trials, etc. in an effort to keep frontline officers abreast of the latest legal knowledge and court requirements.

Co-operation with the General Administration of Customs of the People's Republic of China

C&ED has been maintaining close co-operation in training and exchanges with the SCC, a full-time undergraduate institution directly affiliated with the General Administration of Customs of the People's Republic of China. C&ED has arranged officers to attend customs training at the SCC since 1999 and signed the "Co-operative Arrangement on Exchange and Co-operation between the SCC and the HKCC" in September 2023 to enhance exchanges and co-operation between the two colleges in areas of customs training and academic research.

National Affairs and National Security

C&ED is committed to nurturing talents with a strong sense of national identity and international perspectives. In March 2023, Inspector inductees were arranged to attend the National Studies and Mainland Customs Operations Course in the SCC for the first time, thereby deepening their understanding of national security, national affairs, Mainland Customs operation and its latest developments. The arrangement has been regularised to become part of the Inspector Induction course.

Meanwhile, C&ED strives to enhance national affairs education through different initiatives. In 2023, 72 officers attended various national studies courses organised by the Police Liaison Department of the Liaison Office of the Central People's Government in the HKSAR and the CSC respectively with a view to strengthening their sense of patriotism. C&ED also launched a series of thematic departmental seminars on national security and national affairs for the first time to provide officers with a more thorough understanding of national security, history and culture, as well as the Yan'an Spirit.

In April 2023, representatives from C&ED joined the Hong Kong Disciplined Services Cultural Exchange Delegation to Beijing, Shanghai and the Greater Bay Area and visited the latest national infrastructure, witnessing the rapid development of our country in the new era. The delegation of C&ED also exchanged views with the Mainland counterparts, building a solid foundation for future co-operation.

The Secretary for Security, Mr. Tang Ping-keung (front row, seventh left), the Honourable head of the delegation, Mr. Richard Tang, (front row, seventh right), the Commissioner of Customs and Excise, Ms. Louise Ho (front row, sixth right) and the delegation visit the Zhuhai Grand Theatre.



Through diversified training and learning resources such as exchanges with the Mainland counterparts, departmental seminars, online learning pages and the National Security Education Section, C&ED reinforces all officers' understanding of the Constitution, the Basic Law, the Hong Kong National Security Law, the National Flag and National Emblem Ordinance, the National Anthem Ordinance, national affairs and a Holistic Approach to National Security in a comprehensive manner.

Officers who attended the National Studies Course held in the China Executive Leadership Academy of Yan'an shared the essence of Yan'an Spirit with colleagues during Departmental Seminar.



HKCC arranged all Inspector inductees to attend the National Studies and Mainland Customs Operations Course organised by the SCC in Shanghai.



The National Security Department together with the Security Bureau launched a pop-up counter with a “NSmart Quiz” kiosk at the Customs Headquarters Building from 12 May to 11 June 2023. The kiosk also played videos on major fields of national security and other related information to enhance officers’ understanding of national security, the Constitution, the Basic Law and the Hong Kong National Security Law in a holistic manner.

 NSmart Quiz

Promotion of Staff Integrity

C&ED is dedicated to maintaining a responsible and reliable workforce. A number of educational and promotional activities on staff integrity and healthy lifestyle has been held to enhance professionalism of staff and fortify a culture of probity.

In response to the “Prudent Financial Management” training theme promoted by the Civil Service Bureau under the “Ethical Leadership Programme”, C&ED has rolled out a number of educational and publicity initiatives. For instance, since August 2023, the Integrity Management Group has collaborated with the Tung Wah Group of Hospitals Healthy Budgeting Family Debt Counselling Centre and the Caritas Family Crisis Line and Education Centre to provide a 24-hour hotline to support staff facing financial stress. Besides, a representative of the Investor and Financial Education Council was invited to share the best practices in financial management with officers as a guest speaker in a departmental seminar.

 Dr Mike HUI, the representative of the Investor and Financial Education Council, shared the “Dos and Don’ts on Financial Management” in a departmental seminar held in November 2023.



To further improve the effectiveness of integrity management training, integrity training has been tailored for officers receiving induction, in-service and leadership training courses to deepen their law-abiding awareness and enable them to gain an understanding of their roles and responsibilities earlier. Besides, the training courses emphasise the accountability of supervisors who are required to set an example in implementing the integrity management strategy of the Department.

In order to uphold an ethical culture in the workplace, C&ED organised an array of activities to encourage staff to actively participate in integrity building and to promote healthy lifestyle, such as poster design competitions, logo and slogan design competitions, quizzes, comic design competitions, etc.

On publicity, the departmental newsletter, "Customs News", continues to instil the concept of healthy lifestyle in our staff and features updates on C&ED's integrity management, including relevant training resources and promotional activities.



The winning entry of the comic design competition for promoting integrity and healthy lifestyle



The winning entry of the poster design competition for promoting integrity

Promotion of Healthy Lifestyle

(1) Promotion of Occupational Safety and Health

C&ED has been making strenuous efforts to ensure workplace safety and raise staff awareness of occupational safety and health (OSH). The Occupational Safety and Health Steering Committee, chaired by Assistant Commissioner (Administration and Human Resource Development), formulates policies in respect of OSH in the Department. In addition, an Occupational Safety Working Group and a Health and Welfare Working Group have been set up under the auspices of the Steering Committee to co-ordinate the promotion of occupational safety and the implementation of work safety measures, and to promote occupational health and strengthen the provision of welfare assistance. In 2023, the Occupational Safety Working Group of C&ED continued to take actions on multiple fronts to meet the said objectives, in particular by paying visits to workplaces of the Department periodically for occupational safety inspection and assisting various formations in reviewing and formulating in-house safety guidelines.

The efforts made by the Ports and Maritime Command (PMC) Safety and Health Committee in strengthening co-operation between the management and frontline staff, and in promoting, developing and carrying out measures to ensure OSH of all officers are particularly noteworthy. The Committee organised the "PMC OSH Quiz Competition 2024" in March 2024 to enhance safety awareness of the formation staff.

港口及海域科

職業安全及健康常識問答比賽2024

比賽目的 提倡及加強同事們對職安健之意識
 比賽日期 2024年3月12日
 比賽地點 葵涌海關大樓8樓會所

比賽服飾
 工作服 (民裝同事除外)

比賽形式
 現場問答比賽 (分兩部份)

第一部份：必答題
 (每個組別分別回答八條)

第二部份：搶答題
 (所有參賽組別同時參與)

參賽資格
 各組別需派出督察級及關員級人員組成隊伍參賽

比賽獎項
 比賽設有冠、亞、季軍

得獎隊伍可獲得：
 冠軍 - 1000元現金禮券
 亞軍 - 750元現金禮券
 季軍 - 500元現金禮券

港口及海域科

Poster of the PMC OSH Quiz Competition 2024

(2) Welfare, Sports and Recreation

As social activities resumed to full normalcy in 2023, the C&ED Sports and Recreation Club has gradually organised various kinds of sports and recreation activities for all C&ED staff.

To give closer attention to staff welfare needs and to promote a caring culture among colleagues, C&ED has established a health and welfare management system. In 2023, almost 110 officers were appointed as Health and Welfare Managers in various offices. These officers were provided with job-related training and access to the welfare-related information system to perform their duties properly. In addition to conducting periodic welfare visits, they acted as contact points for officers in need of assistance in matters related to welfare, health and work.

Apart from in-house assistance, C&ED also commissioned the Christian Family Service Centre (CFSC) to provide counselling service for individual officers and their family members, including the provision of a 24-hour counselling and consultation hotline and face-to-face counselling by professional social workers. CFSC and other non-governmental social welfare organisations also provided training sessions to Health and Welfare Managers as well as colleagues in different formations on subjects such as mental health, first aid, the handling of pathological gamblers, counselling skills and knowledge, etc. Besides, since August 2023, the Integrity Management Group has collaborated with the Tung Wah Group of Hospitals Healthy Budgeting Family Debt Counselling Centre and the Caritas Family Crisis Line and Education Centre to provide a 24-hour hotline to support staff facing financial stress.

香港海關
Customs and Excise Department

24小時輔導及諮詢熱線
hour counselling and consultation hotline

香港海關僱員及直系家屬專用
Exclusively for Customs and Excise Department staff and their immediate members

服務範圍 Service Coverage	服務形式 Form of Service
<ul style="list-style-type: none"> 工作 Work-related 家庭 Family 人際 Social 個人 Personal 	<ul style="list-style-type: none"> 輔導及諮詢熱線 Hotline Service 面談輔導 Face-to-face Interview 臨床心理服務 Clinical Psychological Service

服務時間 Service Hours*

星期一至五：上午 9:00 — 下午 17:30
Monday to Friday: 09:00 am — 17:30

星期六：上午 9:00 — 下午 12:30
Saturday: 09:00 am — 12:30 pm

公眾假期除外*
Except public holidays*

於非服務時間或熱線繁忙時，熱線會轉接分機和當值輔導員接聽。
Outside Service hours or when the hotline is engaged, calls will be answered by paging service and counsellor will return call shortly.

談話內容絕對保密
Conversations will be kept in strict confidence

陷財困 有出路

及早求助

如需協助，請即致電

東華醫院
Tung Wah Group of Hospitals
健康理財熱線
2548 0803

香港明愛家庭服務
Caritas Family Service
財困壓力輔導專線
3161 0102

四線熱線
24小時傳呼及線時輔導
18288

過度投資
沉迷賭博
負債暴增

C&ED organises periodic welfare visits and provides staff with a 24-hour counselling and consultation hotline.

The Department provides a 24-hour hotline in collaboration with the Tung Wah Group of Hospitals Healthy Budgeting Family Debt Counselling Centre and the Caritas Family Crisis Line and Education Centre to support staff facing financial stress.

2023 World Police and Fire Games

In July 2023, the representatives of C&ED's sports teams participated in the "20th World Police and Fire Games" held in Canada. Clinched a number of awards, they demonstrated their outstanding athletic prowess and skills in track and field, basketball, volleyball, football, swimming, and half-marathon. As members of a professional disciplinary force, officers always face various challenges and uncertainties. In order to encourage them to maintain fitness to cope with the heavy workload, the Department urges them to participate in various sports activities and actively promotes a healthy lifestyle among them.



The Commissioner of Customs and Excise Ms. Louise HO (second right) congratulated the athletes on their triumphant return to Hong Kong.



Customs volleyball team won a gold medal in mixed beach volleyball.

12

Administration and Finance

THE Office of Departmental Administration of the Administration and Human Resource Development Branch is responsible for the general administration, personnel management, establishment control and provision of translation service whilst the Office of Financial Administration performs the functions of finance management, supplies, stores as well as management of seizures.



Administration

C&ED had the following major establishment changes in 2023 –

Setting up of the Customs Financial Investigation Bureau

The Customs Financial Investigation Bureau (CFIB) was established under the Intelligence and Investigation Branch on 1 August 2023 to strengthen the capabilities of the Department to combat money laundering and terrorist financing. The establishment of CFIB involves 91 posts.



A Special Duties Team was set up under CFIB on 1 August 2023.

Finance

Revenue

C&ED collected \$11.42 billion of revenue in 2023-24, representing a decrease of 8.5% over that in 2022-23. This is mainly due to the decrease in revenue collection from hydrocarbon oils and tobacco.

A summary of the total revenue collected in 2022-23 and 2023-24 is at Appendix 7.

Expenditure

The total expenditure of C&ED in 2023-24 was \$5.727 billion, representing an increase of 4.7% over that in 2022-23. This is mainly due to the increase of personal emoluments arising from civil service pay adjustment and increase in other operating expenses.

A summary of the total expenditure in 2022-23 and 2023-24 is at Appendix 8.

2023-24 revenue

11.42 billion

2023-24 expenditure

5.727 billion

8.5%

4.7%

Seizure Management

The provision of service for the storage and disposal of seized goods is one of the major tasks of C&ED. In 2023-24, the total average space available for storage of seized goods and vehicles in government storehouses was 57 084 square metres while that in private godowns was 12 874 cubic metres.

Upon completion of all legal proceedings concerning the confiscated goods, C&ED will dispose of the goods in accordance with the Stores and Procurement Regulations. The disposal means, which include destruction and public auction, will depend on the types and nature of the confiscated goods. About 53 462 items of confiscated goods, which included cigarettes, optical discs, drugs, fuel oil, computer equipment, precious metals, vessels and vehicles were disposed of in 2023-24. The income arising from the Government's disposal of confiscated goods will go to the Treasury as revenue.

13

Community and Youth

WHILE Customs officers are dedicated and committed to their work, they are keen to contribute to the society by engaging in all kinds of charity service in their spare time. Besides, C&ED has implemented a youth programme “Customs YES” to foster young people’s positive values, law-abiding spirit as well as sense of belonging to society and our country through an array of diversified education-oriented activities.



C&ED Volunteer Team

With the easing of the epidemic, the C&ED Volunteer Team has been actively participating in various types of volunteer activities, which have become more diversified. For instance, the Volunteer Team prepared love-packed meal boxes at a shared kitchen for delivery to grassroots families. They also joined hands with Suicide Prevention Services to visit elderly people who have been in emotional distress. Those elderly people were cheered up upon receiving the love-packed rice dumplings. Apart from caring for the grassroots in the community, the Volunteer Team also actively supported local sports events, including the Standard Chartered Hong Kong Marathon and the Community Chest's Walk for Millions.



The Volunteer Team prepared love-packed meal boxes at a shared kitchen for the Sowers Action Shamshuipo Centre and delivered them to grassroots families, showing care and providing assistance to those in need in the community.

The Volunteer Team participated in the fundraising concert “Seeds of Love • Going Beyond 20 Years” organised by the Little Life Warrior Society in July 2023. The volunteers spared no effort to provide logistical support for the event and made passionate appeals for donations at charity stalls. The event successfully raised funds for the little warriors to strengthen patient support services and bring hope to them.



The Volunteer Team actively supported local sports events and promoted “2023 District Council Ordinary Election” at the same time.



Customs and Excise Band

The Customs and Excise (C&E) Band is formed by a group of colleagues from different grades who are passionate about music. It aims to promote the fun of music among its members and provide professional band service for the Department's official and social functions.

The C&E Band participated in a total of five performances in 2023, including joint disciplined services events, departmental functions and community social events.



Being invited by the Fire Services Department, the C&E Band performed in the Fire Services passing-out parade for the first time in November 2023. They played Chinese military style music for Fire and Ambulance graduating trainees and guests.




The C&E Band performed several pieces of Chinese military style music at the Department's passing-out parade held in December 2023. They also formed a heart-shaped pattern showcasing the theme "Love Our Home, Treasure Our Country" and performed the song "My People, My Country".


Customs and Excise Pop Band

The C&E Pop Band is formed by a group of Customs colleagues who have passions for popular music and band culture. It aims to promote music exchange and band culture. In addition to popular music, the Pop Band also explores different music genres such as jazz and rock.

The Pop Band hopes to create a platform that brings together colleagues who are interested in singing or playing musical instruments. Through various music activities, the Pop Band showcases members' diverse musical talents while fostering friendship among colleagues and enhancing unity and the Department's image.

 The C&E Pop Band performed in a fundraising concert and sang songs to spread the legacy of love and cheer on the little warriors.




 The C&E Pop Band performed in the "Civil Servants to Support District Council Election Family Day" to promote the District Council Election.

Customs YES

C&ED introduced a new youth programme “Customs YES” in January 2021 with a view to fostering young people’s positive values, law-abiding spirit as well as sense of belonging to society and our country through an array of diversified education-oriented activities with Customs nexus. As at the end of December 2023, Customs YES recruited over 5 500 individual members aged between 12 and 24 and 49 organisation members (including schools and non-governmental organisations).

The activities of Customs YES embrace four “C”, namely “Calibre”; “Customs”; “Community” and “Country”. The programme aims at helping young people enhance self-understanding, develop multi-talents, cultivate positive thinking while enhancing their understanding of C&ED’s work and developing their sense of belonging to society, national awareness and patriotism through a variety of activities covering personal development, Customs work, career planning, community services and national education. In 2023, Customs YES organised over 180 activities with a total attendance of over 6 000.

To enhance Customs YES members’ understanding of the latest developments of our country, C&ED organised four Mainland exchange and learning activities in 2023. These activities include an exchange tour to the Greater Bay Area in celebration of the 45th anniversary of the country’s reform and opening-up, the Silk Road Summer Cultural Study Tour and a historical and cultural study tour to Hunan. Military Training Experience Camp was also held in Shenzhen to deepen members’ understanding of national military culture.

 An exchange tour to the Greater Bay Area



Silk Road Summer Cultural Study Tour



Military Training Experience Camp for Hundred Youths



A historical and cultural study tour to Hunan



Furthermore, C&ED has been organising the Summer Internship Programme for three consecutive years. In 2023, the programme received enthusiastic support from 38 enterprises and 10 formations of the Department, offering a total of 117 summer internship placements to Customs YES members, including placements in the Greater Bay Area.



A participating intern (right) expressed that the programme provided her with valuable experience and broadened her horizons.



A member working as an intern in the Greater Bay Area expressed that the programme laid a solid foundation for his career development.

C&ED also formed a youth uniformed group named "Customs Youth Leader Corps" under the framework of Customs YES, which aims at building up members' self-confidence, team spirit and leadership through Chinese-style foot drill training, disciplinary training, regular assemblies and a diverse range of activities, thereby nurturing them into distinguished youth leaders. The Customs Youth Leader Corps had around 600 members as at the end of 2023.



Parade by Disciplined Services and Youth Groups cum Carnival for celebrating the 74th anniversary of the founding of the People's Republic of China



The Chief Executive, Mr. John LEE, met members of the Customs Youth Leader Corps at the flag raising ceremony for the 26th anniversary of the establishment of the Hong Kong Special Administrative Region.



Members of the Customs Youth Leader Corps interacted with the public at the National Security Education Day and the Hong Kong Customs College Open Day.



Members of the Customs Youth Leader Corps attended the May Fourth Flag Raising Ceremony.

The second-term of the “Executive Committee of Customs YES” was inaugurated in January 2023, and continued to advise on the sustainable development and activity strategy of Customs YES. In addition, a “Customs YES Honorary Presidents' Association” (CYHPA), consisting of enthusiastic leaders from different sectors of the business community has been set up to provide various kinds of support to the activities organised by Customs YES. An inaugural ceremony was held in May 2023.

Inaugural ceremony of the second-term of the Executive Committee of Customs YES



Inaugural ceremony of the CYHPA

National Security Education Day

C&ED has been playing an important role in safeguarding national security and is giving its full support to the National Security Education Day organised by the Committee for Safeguarding National Security of the Hong Kong Special Administrative Region. The Department held the Hong Kong Customs College Open Day on 15 April 2023 to promote national security education to members of the public.

The open day featured a range of activities, including an exhibition on national security education to enhance public understanding of national security and introduce Customs' work and effectiveness in safeguarding national security. In addition, game booths were set up to introduce the Department's responsibility to perform its gatekeeping role in an interactive way.

Moreover, Guards of Honour and members of Customs YES participated in the flag raising ceremony held by the Security Bureau and its disciplinary forces and auxiliary services at the Hong Kong Police College on 15 April 2023. In addition, C&ED set up a booth to introduce the Department's multi-faceted work in safeguarding national security. The booth also won the Gold Award of the Disciplined Forces National Security Education Promotion Competition.

Members of the C&ED Guards of Honour performed a Chinese-style flag raising ceremony.



Members of the C&ED Guards of Honour performed a Chinese-style foot drill.



C&ED's Detector Dog Team performed at the Hong Kong Customs College Open Day.

Law Enforcement Torch Run for Special Olympics Hong Kong

C&ED fully supported the Law Enforcement Torch Run for Special Olympics (Torch Run), an annual event organised by the Special Olympics Hong Kong to raise funds for supporting athletes with intellectual disabilities to take part in the Special Olympics Games worldwide. There were nearly 500 staff members of C&ED participated in the Torch Run 2023. This year, participants were allowed to complete a 3.5 km route of their choice between 17 September and 31 October 2023. A donation of over HKD\$680,000 was raised by C&ED for the Torch Run.



C&ED fully supported the Law Enforcement Torch Run for Special Olympics and raised a donation of over \$680,000.

C&ED Sports Day

The C&ED Sports Day was held at Siu Sai Wan Sports Ground on 25 March 2023, with a total of 671 participants. The Sports Day was remarkably spectacular and filled with excitement, especially the relay race and the Inter-departmental Invitation Relay. The athletes went all out to participate, fully demonstrating team spirit and sportsmanship.





The athletes went all out to perform their best.

Elite Athlete Charitable Trust (EACT) Jockey Club Active School Programme – Experience Day in C&ED

C&ED fully supported the EACT Jockey Club Active School Programme. In order to integrate into the community and establish closer ties with the public, C&ED Sports and Recreation Club partnered with the Hong Kong Elite Athletes Association to organise an Experience Day at the Hong Kong Customs College on 18 February 2023. More than 60 students from two secondary schools attended the event and participated in practical shooting simulation training, as well as training on lion dance and its musical instruments. The youngsters not only enjoyed the fun of sports, but also had a taste of C&ED's training life, which helped strengthen their confidence, discipline and team spirit.

With the launch of the Experience Day, C&ED interacted with youngsters to build a caring, harmonious and vibrant society and foster the healthy development of the young generation.



Young people deepened their understanding of Customs training through participation in strategic shooting simulation training.



Youngsters' sense of rhythm was enhanced through the lion dance musical instrument training.



Full support for Blood Donation

To facilitate and encourage colleagues to give blood, C&ED invited the Hong Kong Red Cross to hold blood donation events at the Customs Headquarters Building in April, July and November 2023 respectively. Over 100 C&ED colleagues donated blood in each event. Ms. Louise HO, the Commissioner of Customs and Excise, and other directorate officers fully supported the events and donated blood on the spot for appealing to colleagues to support the call.



C&ED fully supported blood donation.



Launch of Douyin and WeChat Official Accounts

Following the launch of its YouTube channel, Facebook page and Instagram account, C&ED launched its Douyin and WeChat official accounts on 26 April and 1 July 2023 respectively, to further enhance communication and connectivity between the Department and members of the public.

The newly launched social media accounts provide quick and direct access to the Department's multi-faceted work and the latest information for Hong Kong and Mainland residents. The new channels also enable Mainland travellers planning to visit Hong Kong to better grasp the useful Customs information.



C&ED launched its Douyin official account on 26 April 2023.



C&ED launched its WeChat official account on 1 July 2023. This is the fifth official social media platform, following the launch of its YouTube channel, Facebook page, Instagram account and Douyin official account.

14

Appendices

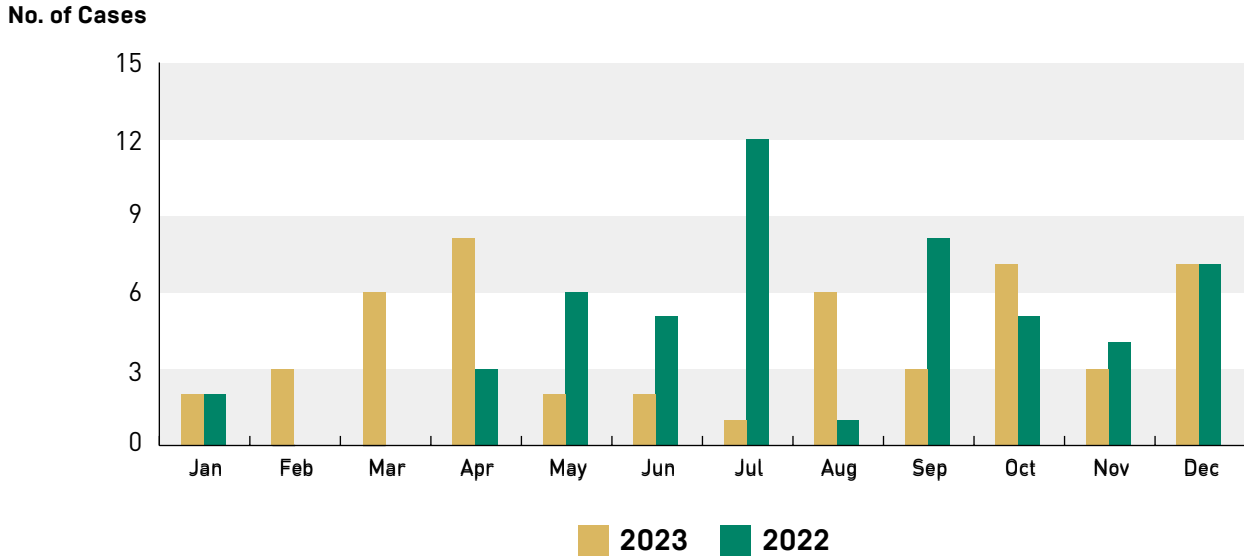


1 Establishment and Strength Position

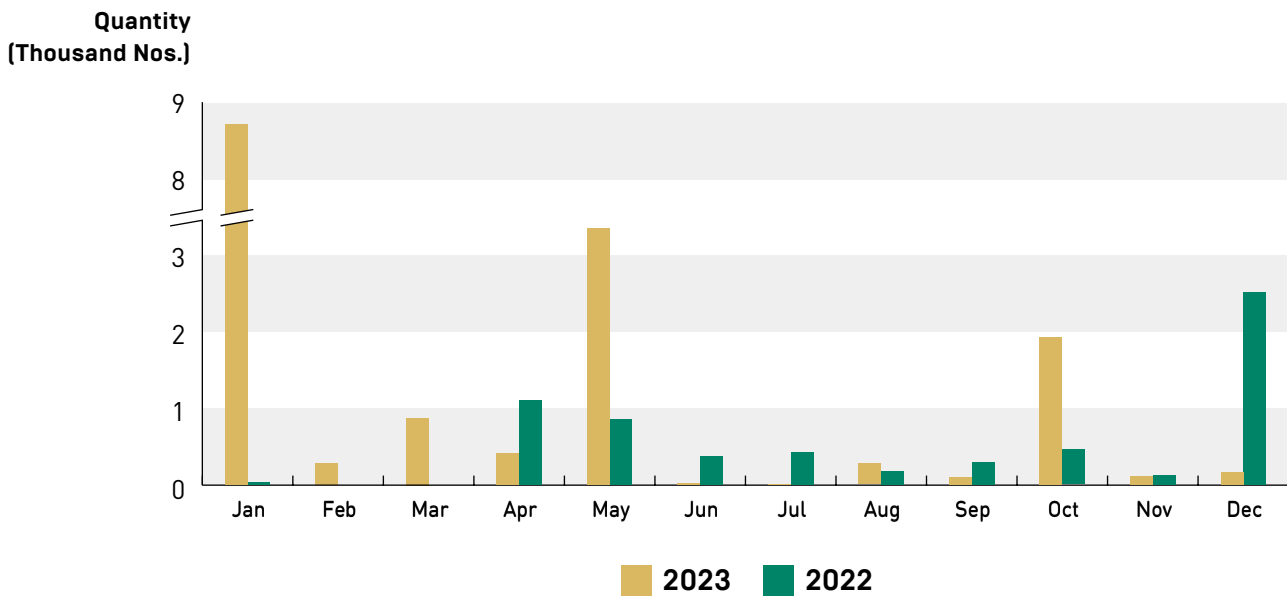
Category/Grade	2022 (as at 31 December 2022)		2023 (as at 31 December 2023)	
	Establishment (No.)	Strength (No.)	Establishment (No.)	Strength (No.)
Directorate Posts	10	9	10	9
Sub-total	10	9	10	9
Departmental Grades				
Superintendent/Inspector of Customs and Excise Grades	1 159	1 084	1,200	1,114
Customs Officer Grade	5 000	4 757	5,142	4,620
Trade Controls Officer Grade	535	455	550	456
Sub-total	6 694	6 296	6 892	6 190
General and Common Grades				
Executive Officer/Training Officer Grades	33	32	32	32
Treasury Accountant/Accounting Officer Grades	19	19	19	20
Official Languages Officer	19	16	19	16
Statistician/Statistical Officer Grades	5	5	5	5
Secretarial Grades	39	36	39	35
Clerical Grades	292	265	289	266
Supplies Grades	60	60	60	60
Others	215	195	214	205
Sub-total	682	628	677	639
Total	7 386	6 933	7 579	6 838

Statistics on Infringing Cases

No. of Infringing Cases (2023 vs 2022)



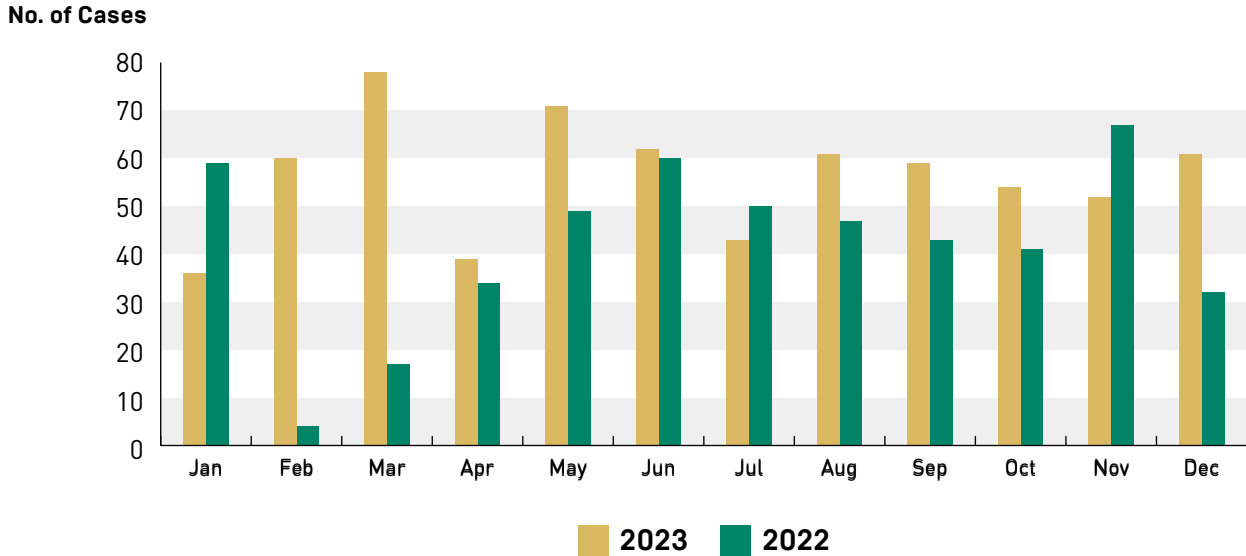
Quantity of Infringing Articles Seized (2023 vs 2022)



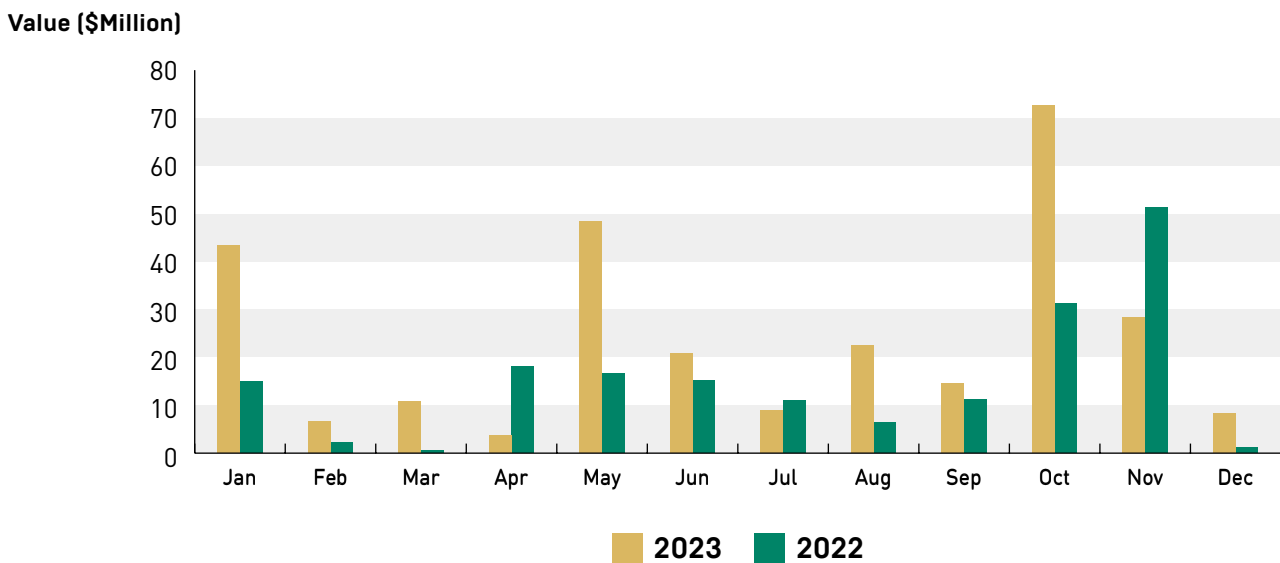
3

Statistics on Forged Trademark Cases

No. of Forged Trademark Cases (2023 vs 2022)



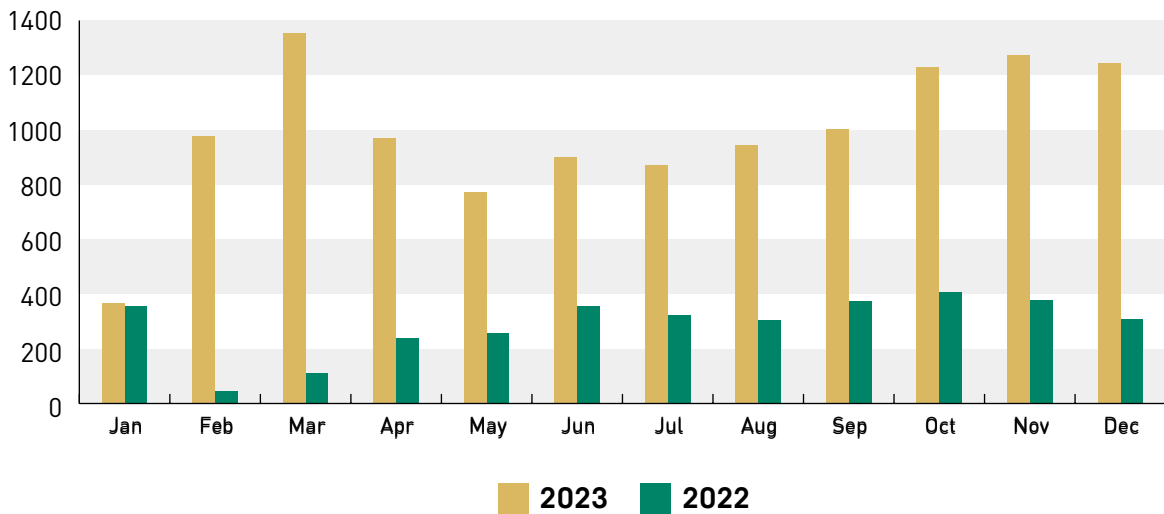
Value of Forged Trademark Goods Seized (2023 vs 2022)



4 Result of Anti-cigarette Smuggling Operations

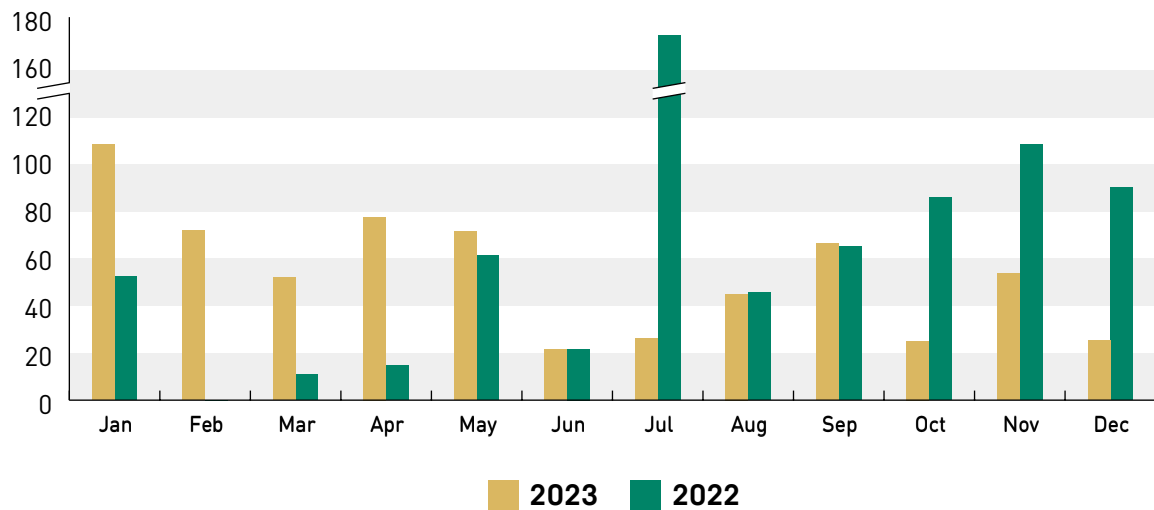
No. of Cigarette Smuggling Cases (2023 vs 2022)

No. of Cases



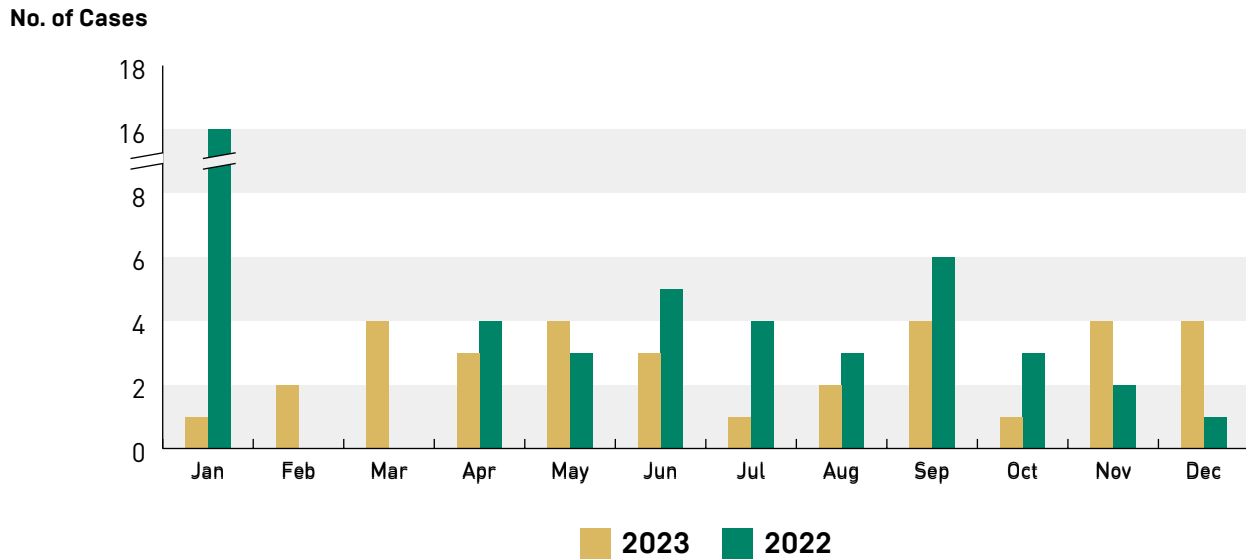
Quantity of Smuggled Cigarettes Seized (2023 vs 2022)

Quantity
(Million Sticks)

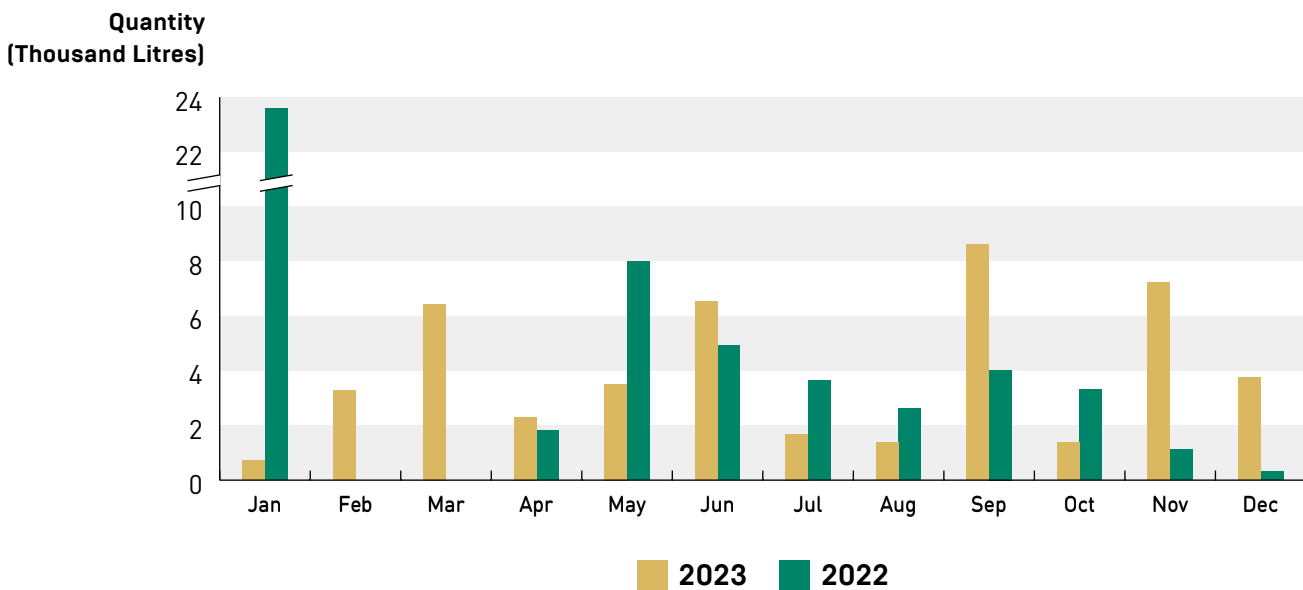


Result of Hydrocarbon Oil Enforcement Operations

No. of Hydrocarbon Oil Cases (2023 vs 2022)



Quantity of Hydrocarbon Oil Seized (2023 vs 2022)



6

Legislation under which Customs staff can act

1	Interpretation and General Clauses Ordinance	Cap. 1
2	Import and Export Ordinance	Cap. 60
3	Weights and Measures Ordinance	Cap. 68
4	Post Office Ordinance	Cap. 98
5	Telecommunications Ordinance	Cap. 106
6	Dutiable Commodities Ordinance	Cap. 109
7	Immigration Ordinance	Cap. 115
8	Public Revenue Protection Ordinance	Cap. 120
9	Public Health and Municipal Services Ordinance	Cap. 132
10	Pesticides Ordinance	Cap. 133
11	Dangerous Drugs Ordinance	Cap. 134
12	Antibiotics Ordinance	Cap. 137
13	Pharmacy and Poisons Ordinance	Cap. 138
14	Public Health (Animals and Birds) Ordinance	Cap. 139
15	Control of Chemicals Ordinance	Cap. 145
16	Crimes Ordinance	Cap. 200
17	Plant (Importation and Pest Control) Ordinance	Cap. 207
18	Weapons Ordinance	Cap. 217
19	Magistrates Ordinance	Cap. 227
20	Police Force Ordinance	Cap. 232
21	Firearms and Ammunition Ordinance	Cap. 238

6

Legislation under which Customs staff can act (cont'd)

22	Marine Fish (Marketing and Exportation) Regulations	Cap. 291A
23	Dangerous Goods Ordinance	Cap. 295
24	Reserved Commodities Ordinance	Cap. 296
25	Air Pollution Control Ordinance	Cap. 311
26	Shipping and Port Control Ordinance	Cap. 313
27	Industrial Training (Clothing Industry) Ordinance	Cap. 318
28	Protection of Non-Government Certificates of Origin Ordinance	Cap. 324
29	Motor Vehicles (First Registration Tax) Ordinance	Cap. 330
30	Customs and Excise Service Ordinance	Cap. 342
31	Waste Disposal Ordinance	Cap. 354
32	Trade Descriptions Ordinance	Cap. 362
33	Smoking (Public Health) Ordinance	Cap. 371
34	Control of Obscene and Indecent Articles Ordinance	Cap. 390
35	Ozone Layer Protection Ordinance	Cap. 403
36	Drug Trafficking (Recovery of Proceeds) Ordinance	Cap. 405
37	Rabies Ordinance	Cap. 421
38	Toys and Children's Products Safety Ordinance	Cap. 424
39	Organized and Serious Crimes Ordinance	Cap. 455
40	Consumer Goods Safety Ordinance	Cap. 456
41	Fugitive Offenders Ordinance	Cap. 503
42	Mutual Legal Assistance in Criminal Matters Ordinance	Cap. 525

Legislation under which Customs staff can act (cont'd)

43	Weapons of Mass Destruction (Control of Provision of Services) Ordinance	Cap. 526
44	Copyright Ordinance	Cap. 528
45	United Nations Sanctions Ordinance	Cap. 537
46	Prevention of Copyright Piracy Ordinance	Cap. 544
47	Merchant Shipping (Local Vessels) Ordinance	Cap. 548
48	Chinese Medicine Ordinance	Cap. 549
49	Trade Marks Ordinance	Cap. 559
50	Broadcasting Ordinance	Cap. 562
51	United Nations (Anti-Terrorism Measures) Ordinance	Cap. 575
52	Chemical Weapons (Convention) Ordinance	Cap. 578
53	Prevention of Child Pornography Ordinance	Cap. 579
54	Protection of Endangered Species of Animals and Plants Ordinance	Cap. 586
55	Interception of Communications and Surveillance Ordinance	Cap. 589
56	Food Safety Ordinance	Cap. 612
57	Anti-Money Laundering and Counter-Terrorist Financing Ordinance	Cap. 615
58	Companies Ordinance	Cap. 622
59	Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance	Cap. 629
60	Conservation of Antarctic Marine Living Resources Ordinance	Cap. 635
61	Mercury Control Ordinance	Cap. 640

7

Actual revenue

for 2022-23 and 2023-24

	Actual Revenue	
	2022-23	2023-24
	HK\$'000	HK\$'000
Duties		
Hydrocarbon oils	3,329,496	2,958,320
Tobacco	7,931,480	7,247,686
Alcoholic Beverages	714,515	686,890
Other Alcoholic Products	6,560	5,730
Subtotal	11,982,051	10,898,626
Fees charged under Dutiable Commodities Ordinance		
Licence Fees	6,806	8,523
Attendance Fees	181	560
Denaturing Fees	233	166
Storage Fees	3	1
Subtotal	7,223	9,250
Trade Declaration Charges		
Imports and Exports Declaration Charges	376,026	355,027
Clothing Levy Service Charges (see Note)	50	46
Penalties	54,783	43,524
Subtotal	430,859	398,597
Miscellaneous	59,329	113,905
Total	12,479,462	11,420,378

Note: Clothing Industry Training Levy collected on behalf of the Clothing Industry Training Authority

99

131

8

Actual expenditure

for 2022-23 and 2023-24

	Actual Expenditure	
	2022-23	2023-24
	HK\$'000	HK\$'000
Operating Account		
Personal Emoluments		
Salaries	3,582,669	3,761,035
Allowances	99,767	97,222
Job-related allowances	36,248	35,106
	Subtotal	3,893,363
Other Recurrent Expenses		
Personnel related expenses	369,457	405,309
Rewards and special services	21,741	30,042
General departmental expenses	1,137,404	1,223,810
Land usage cost	1	1
Grant to the Customs and Excise Service Welfare Fund	356	348
Seizure management	65,078	77,889
	Subtotal	1,737,399
Capital		
Plant, vehicles and equipment	32,350	15,025
Minor plant, vehicles and equipment	122,011	80,949
	Subtotal	95,974
Total	5,467,082	5,726,736

Case Statistics

(2022)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Air Pollution Control	4	-	1
Antibiotics	2	4	151
Consumer Goods Safety	27	-	80
Control of Chemicals	3	-	893
Copyright / Prevention of Copyright Piracy	53	72	3,101
Cross-boundary Movement of Physical Currency and BNI	80	85	1,313
Customs & Excise Service	6	10	539
Dangerous Drugs	931	178	3,576,291
Dangerous Goods	1	1	1,212
Drug Trafficking (ROP)	1	3	2
Dutiable Commodities	5 002	2 970	1,812,496
Firearms & Ammunition	19	3	997
Immigration	10	8	85
Import & Export	1 043	246	1,496,363
Merchant Shipping (local vessels)	3	4	3,130
Organized & Serious Crimes	9	20	20,027
Pesticides	4	1	17
Pharmacy & Poisons	100	48	8,497
Plant (Importation & Pest Control)	31	1	138
Prevention of Cruelty to Animals	3	1	2,489
Protection of ES of Animals & Plants	293	150	59,099
Public Health & Municipal Services	204	148	1,836
Public Health (Animals & Birds)	2	-	8
Reserved Commodities	41	2	183
Road Traffic	1	-	202
Shipping and Port Control	1	1	20
Smoking (Public Health)	623	296	50,234
Telecommunication	5	2	2,544
Toys & Children's Products Safety	25	-	5
Trade Descriptions	616	385	188,265
Waste Disposal	33	-	2,046
Weapons	25	4	747
Other Ordinances	109	12	0
All Ordinances *	8 809	4 432	7,146,830

The figure '0' refers to a positive figure of value of less than 0.5.

* Actual total. A case may involve more than one ordinance. Hence, the total of all ordinances cannot add up to the actual total.

Case Statistics

(2023)

Ordinance	Number of Cases	Number of Arrests	Estimated Value of Seized Items (HK\$'000)
Air Pollution Control	5	-	3
Antibiotics	3	3	284
Consumer Goods Safety	55	-	19
Copyright / Prevention of Copyright Piracy	50	60	2,997
Crimes	2	-	20
Cross-boundary Movement of Physical Currency and BNI	84	84	2,501
Customs & Excise Service	11	13	38,547
Dangerous Drugs	1 361	296	5,173,206
Dangerous Goods	2	1	1
Dogs & Cats	5	3	1
Dutiable Commodities	15 212	12 133	1,934,416
Firearms & Ammunition	33	7	453
Food Safety	28	23	1,361
Immigration	23	35	54
Import & Export	1 848	930	3,289,083
Merchant Shipping (local vessels)	2	1	524
Organized & Serious Crimes	9	53	50,571
Ozone Layer Protection	1	-	2
Pesticides	1	-	2
Pharmacy & Poisons	115	48	16,625
Plant (Importation & Pest Control)	41	3	313
Protection of ES of Animals & Plants	404	273	1,592,886
Public Health & Municipal Services	1 108	978	7,046
Public Health (Animals & Birds)	14	11	9
Rabies	11	11	237
Reserved Commodities	33	4	23
Smoking (Public Health)	737	512	11,857
Telecommunication	32	27	2,172
Toys & Children's Products Safety	26	-	8
Trade Descriptions	788	342	288,559
Waste Disposal	16	5	106,120
Weapons	99	14	915
Weights & Measures	33	-	10
Other Ordinances	125	57	1
All Ordinances *	21 525	15 592	10,522,314

The figure '0' refers to a positive figure of value of less than 0.5.

* Actual total. A case may involve more than one ordinance. Hence, the total of all ordinances cannot add up to the actual total.

10

Major Seized Items

Ordinance Major Seized Item	2022		2023	
	Quantity	Estimated Value of Seized Items (HK\$'000)	Quantity	Estimated Value of Seized Items (HK\$'000)
Dangerous Drugs⁽¹⁾				
Heroin (kg)	91.6	90,678	331.7	285,828
Opium (kg)	0.7	83	131.6	15,393
Cannabis (kg)	804.6	153,892	2 353.5	475,927
Ketamine (kg)	631.0	335,690	1 815.6	937,379
Cocaine (kg)	1 015.9	912,729	2 003.1	2,042,418
Methamphetamine (Ice) (kg)	3 134.5	1,895,599	2 207.7	1,321,080
MDMA (Ecstasy) (tablet)	5 545	16,930	7 612	24,417
Synthetic Cathinones (bath salts) (kg)	51.1	7,016	2.3	282
Gamma-butyrolactone (GBL) (kg)	3 810.6	2,025	15.1	8
Cannabidiol (CBD) (kg) ⁽²⁾	-	-	119.5	443
Other Psychotropic Drugs (tablet)	205 349	20,109	3 584	6,921
Dutiable Commodities⁽³⁾				
Cigarette (mille)	732 671	2,019,107	652 246	2,257,851
Other Tobacco (kg)	1 727	6,500	32 785	157,704
Hydrocabon Oil ('000 litre)	53	1,027	47	972
Liquor ('000 litre)	77	38,074	51	16,888
Import & Export				
Electrical and Electronic Goods ⁽⁴⁾ ('000 no.)	13 951	154,198	297 856	1,661,792
Computer and Accessories ('000 no.)	10 594	179,371	7 469	202,611
Foodstuff and Drinks ⁽⁵⁾ (tonnes)	510	377,788	95	183,714
Mobile Phone and Accessories ('000 no.)	3 157	100,084	1 518	133,245
Pharmaceutical Products ('000 tablet)	4 451	71,689	3 479	46,143
Meat (tonnes)	574	78,984	195	26,048
Cosmetic and Beauty ('000 no.)	142	40,159	108	10,088
Copyright				
Electrical and Electronic Goods ⁽⁴⁾ ('000 no.)	3	2,865	2	1,555
Optical Disc ('000 no.)	1	21	11	416

Major Seized Items (cont'd)

Ordinance Major Seized Item	2022		2023	
	Quantity	Estimated Value of Seized Items (HK\$'000)	Quantity	Estimated Value of Seized Items (HK\$'000)
Forged Trademark (FTM)				
Mobile Phone and Accessories ('000 no.)	148	33,584	242	101,507
Watch and Parts ('000 no.)	36	28,998	49	65,402
Footwear ('000 pairs)	58	14,783	91	41,880
Garment and Accessories ('000 pc)	161	62,132	77	20,310
Fashion Accessories ('000 no.) ⁽⁶⁾	47	12,408	74	18,934
Glasses ('000 pairs)	28	8,697	38	15,586
Electrical and Electronic Goods ⁽⁴⁾ ('000 no.)	46	3,759	63	8,729
Pharmacy & Poisons				
Part I Poisons ⁽⁷⁾ (kg)	37	27	16	70
(litre)	217	954	10	599
('000 tablet)	139	2,086	267	9,457
Protection of ES of Animals & Plants				
Shark Fin (kg)	1 278	808	11 617	71,576
Wood (kg)	20 522	52,356	358	3,995
Totoaba, Parts or Specimen (kg)	1	263	3	411
Ginseng (kg)	226	222	374	389
Ivory and Related Products (kg)	7	243	32	137
Others				
Alternative Smoking Products (ASPs) ('000 no.) ⁽⁸⁾	4 778	50,230	3 838	24,519
Fireworks (kg)	-	-	1	0
Firearms and Parts (no.)	2	22	2	4

The figure '0' refers to a positive figure of value of less than 0.5.

(1) The estimated value of seized items includes dangerous drugs measured in different units of measurement.

(2) Starting from 1 February 2023, CBD has been listed as a dangerous drug under the Dangerous Drugs Ordinance.

(3) Include all ordinances.

(4) Exclude mobile phones and accessories.

(5) Exclude meat.

(6) Include mainly bags, wallets and belts.

(7) Exclude sildenafil and antibiotics.

(8) The Smoking (Public Health) (Amendment) Ordinance 2021 was put into effect on 30 April 2022, and no person may import, promote, manufacture, sell or possess for commercial purposes alternative smoking products (ASPs), including electronic cigarette products, heated tobacco products and herbal cigarettes. Thereafter, the Import and Export (Amendment) Ordinance 2023 took effect on 30 June 2023, providing for the prohibition on importing ASPs and the exemptions.

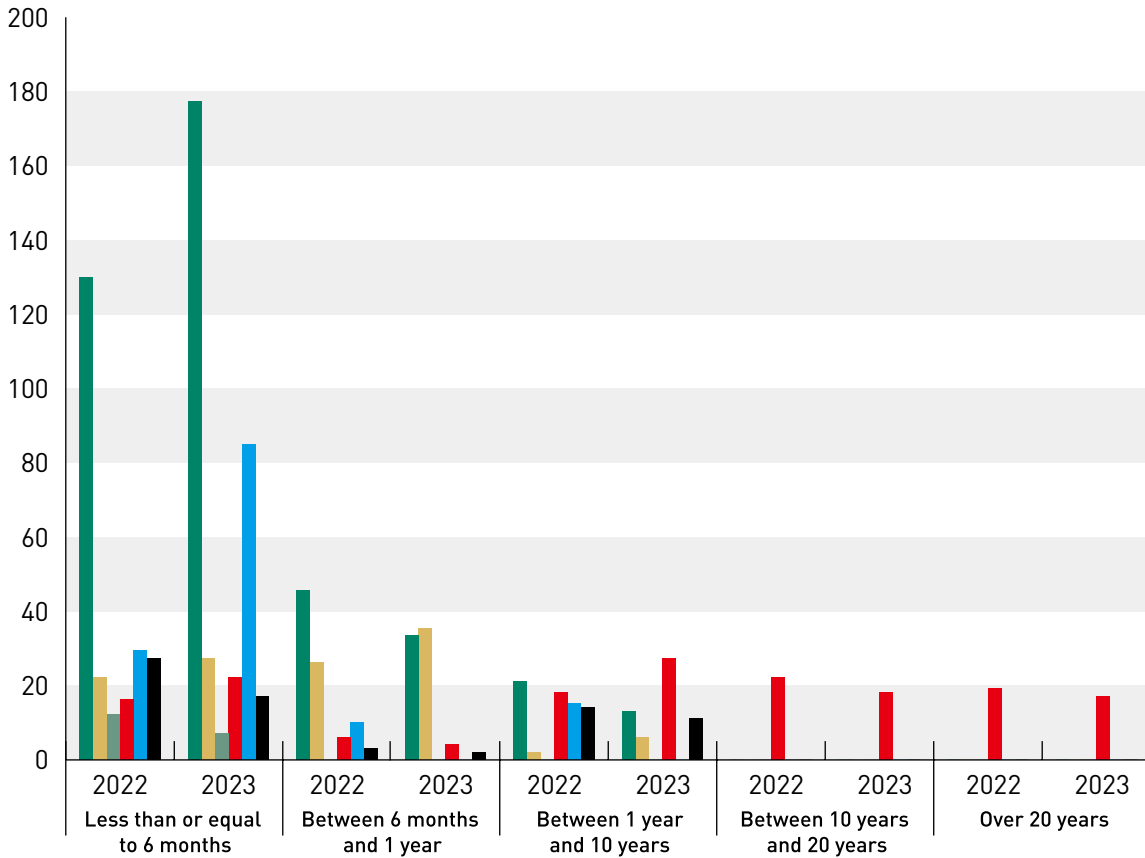
11

Stop and Search of Persons / Vehicles at Control Points

	2022	2023
No. of persons stopped and searched	19 550	107 290
No. of vehicles checked	186 500	253 960

12 Range of Sentences

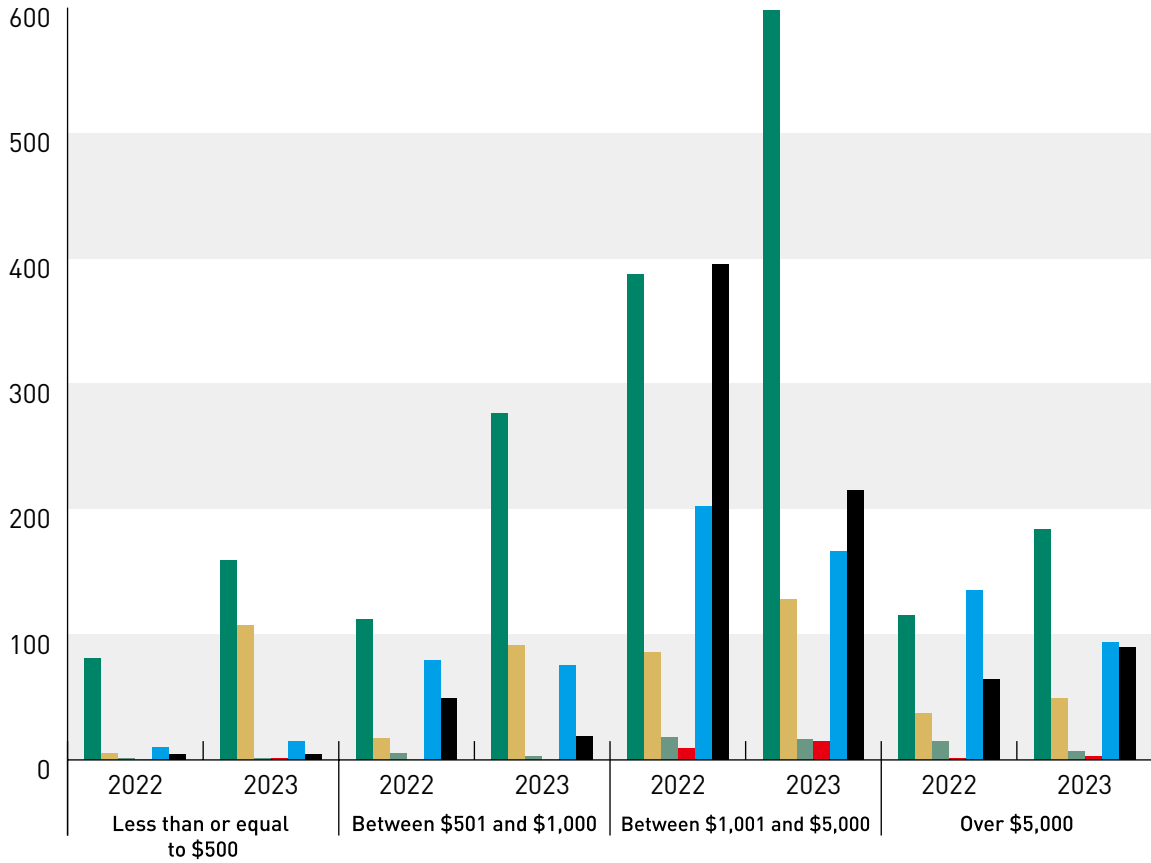
No. of Charges



- Dutiable Commodities Ordinance (Cap. 109)
- Import and Export Ordinance (Cap. 60)
- Copyright Ordinance (Cap. 528)
- Dangerous Drugs Ordinance (Cap. 134)
- Trade Descriptions Ordinance (Cap. 362)
- Others

13 Range of Fines

No. of Charges

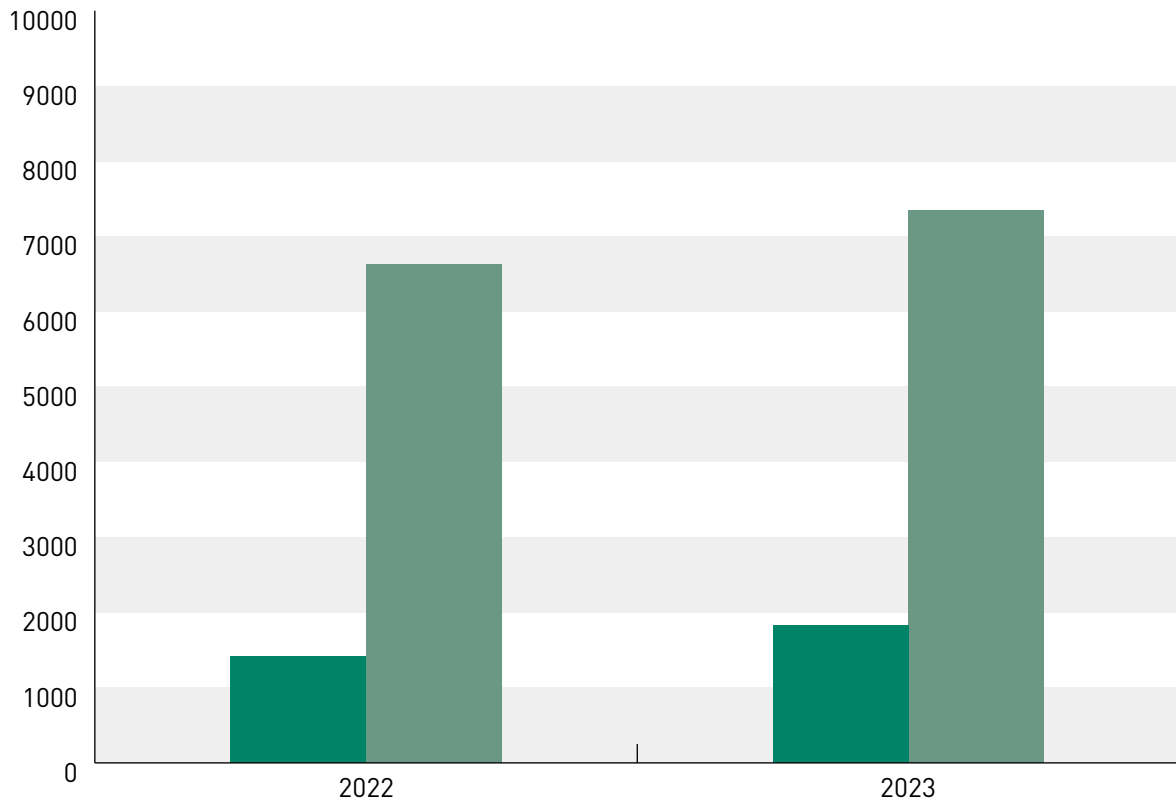


- Dutiable Commodities Ordinance (Cap. 109)
- Import and Export Ordinance (Cap. 60)
- Copyright Ordinance (Cap. 528)
- Dangerous Drugs Ordinance (Cap. 134)
- Trade Descriptions Ordinance (Cap. 362)
- Others

14

Court Actions

Number



■ No. of Fresh Cases Prosecuted

■ No. of Hearing Days at Courts



Facebook



Website



Instagram



WeChat



抖音



小紅書