



# CUSTOMS AND EXCISE DEPARTMENT

## STRATEGIC TRADE CONTROLS ENFORCEMENT UPDATE

17 NOVEMBER 2017

### STRATEGIC TRADE CONTROLS IN HONG KONG



**Trade and Industry  
Department**

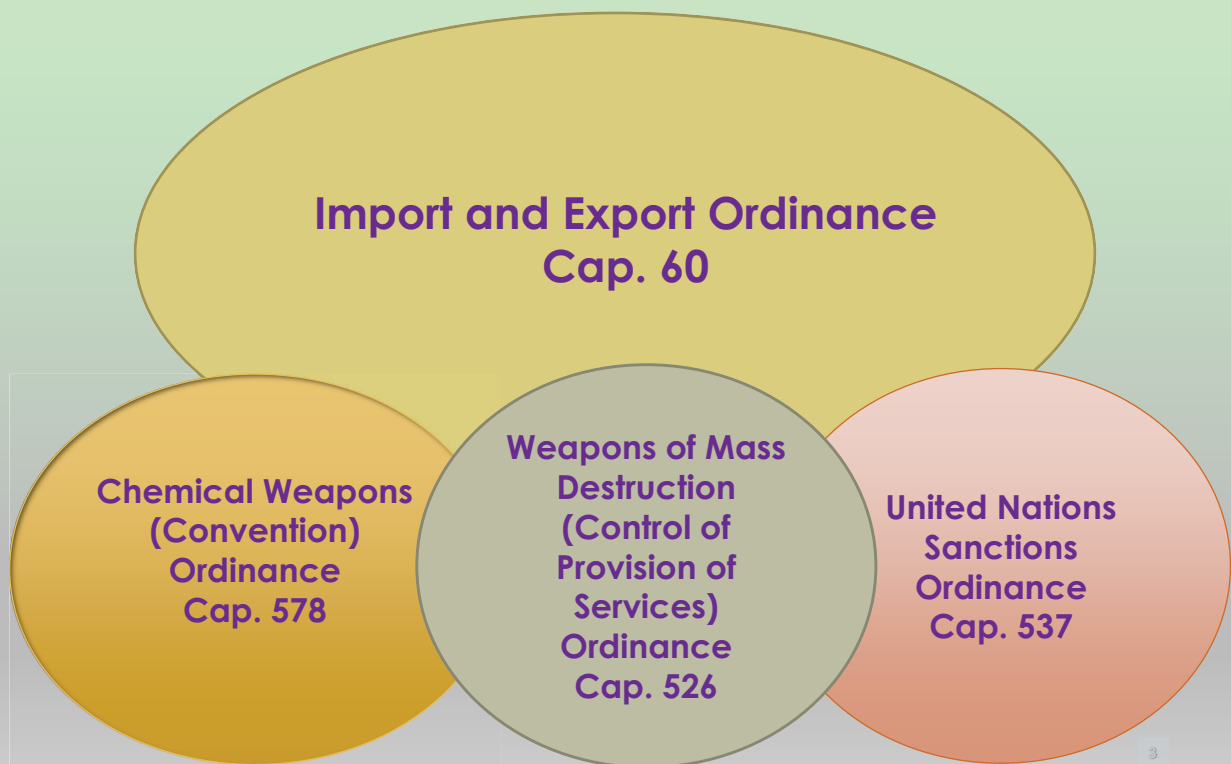
➤ **Licensing System**



**Customs and Excise  
Department**

➤ **Enforcement**

# LEGAL BASIS OF CONTROL



# ENFORCEMENT OF STRATEGIC TRADE CONTROLS



## ENFORCEMENT POWERS

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

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

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## ENFORCEMENT POWERS

**AUTHORIZED OFFICERS ARE ALSO EMPOWERED TO:**

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

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# ENFORCEMENT ACTIONS

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

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## CARGO EXAMINATION





# CONSIGNMENT CHECKS

➤ **IMPORT/EXPORT LICENCE CHECKS**

➤ **DISPOSAL CHECKS ON IMPORTED GOODS**

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# POST-SHIPMENT VERIFICATION

➤ **RISK ASSESSMENT**

➤ **SUSPICIOUS SHIPMENTS SELECTED FOR  
VERIFICATION**

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# INVESTIGATIONS

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

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# PROSECUTIONS

**IMPORTING/EXPORTING STRATEGIC COMMODITIES WITHOUT A LICENCE**

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

## MAXIMUM PENALTY:

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



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## ENFORCEMENT RESULTS ON STRATEGIC COMMODITIES

**IN 2016, CUSTOMS & EXCISE DEPARTMENT**

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

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## MAJOR TYPES OF STRATEGIC COMMODITIES INVOLVED IN THE PROSECUTION CASES

➤ **INTEGRATED CIRCUITS (3A001)**



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



## **OUTREACH SEMINARS**

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

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

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## **ADVICE TO TRADERS**

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

- **THE GUIDANCE NOTE ON IMPORT AND EXPORT OF STRATEGIC COMMODITIES**
- **KNOW YOUR CUSTOMERS GUIDANCE OF THE TRADE AND INDUSTRY DEPARTMENT**

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**THANK YOU**