

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Controlling officer: the Commissioner of Customs and Excise will account for expenditure under this Head.

Estimate 2020–21	\$5,375.1m
Establishment ceiling 2020–21 (notional annual mid-point salary value) representing an estimated 7 564 non-directorate posts as at 31 March 2020 rising by 292 posts to 7 856 posts as at 31 March 2021	\$3,618.1m
In addition, there will be an estimated nine directorate posts as at 31 March 2020 rising by one post to ten posts as at 31 March 2021.	
Commitment balance	\$293.8m

Controlling Officer's Report

Programmes

Programme (1) Control and Enforcement	This programme contributes to Policy Area 1: Financial Services (Secretary for Financial Services and the Treasury), Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development), Policy Area 9: Internal Security (Secretary for Security) and Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).
Programme (2) Anti-narcotics Investigation	This programme contributes to Policy Area 9: Internal Security (Secretary for Security).
Programme (3) Intellectual Property Rights and Consumer Protection	This programme contributes to Policy Area 4: Posts, Competition Policy and Consumer Protection (Secretary for Commerce and Economic Development) and Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).
Programme (4) Revenue Protection and Collection	This programme contributes to Policy Area 25: Revenue Collection and Financial Control (Secretary for Financial Services and the Treasury).
Programme (5) Trade Controls	This programme contributes to Policy Area 6: Commerce and Industry (Secretary for Commerce and Economic Development).

Detail

Programme (1): Control and Enforcement

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	3,113.6	3,869.4	3,552.7 (–8.2%)	4,165.9 (+17.3%)
				(or +7.7% on 2019–20 Original)

Aim

2 The aims are to prevent and detect the smuggling of contraband, including narcotics, firearms, strategic goods, dutiable commodities, articles which infringe copyright or trade descriptions, and any other articles the importation or exportation of which is prohibited by law, through actions at control points and regular land and maritime patrols within the territory of Hong Kong; as well as to run a regulatory regime for the Money Service Operators (MSOs) under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (AMLO).

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Brief Description

3 The Department is the primary agency responsible for the suppression of smuggling activities and is an integral member of the Joint Police/Customs Anti-smuggling Task Force formed to combat smuggling activities at sea. The Department also acts as the front-line agency to prevent importation and exportation of any articles which are prohibited by law concerning security, public health and environmental protection or in fulfilling international obligations; as well as to perform the regulatory functions of MSOs under the AMLO. The enforcement work includes:

- monitoring both the import and export of goods and the licensing of the movement of prohibited and prescribed articles as stipulated in the Import and Export Ordinance (Cap. 60);
- conducting primary checks on passengers, crew, cargoes, postal parcels, aircraft, vessels and vehicles, and secondary examination of those considered high risk, in order to detect contraband (including those for terrorist activities), controlled items and other violations of the law;
- conducting regular maritime and land patrols within Hong Kong to detect and suppress violations of customs law and other illegal activities;
- providing sustained intelligence support to anti-smuggling enforcement actions through the work of the Intelligence Bureau;
- inspecting and verifying licences and manifests in order to control the import and export of prohibited articles and the carriage of prescribed articles;
- processing declarations on large quantities of physical currency and bearer negotiable instruments and detecting non-compliance with the relevant declaration and disclosure requirements, in accordance with the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance (Cap. 629); and
- licensing and supervising MSOs under the AMLO and taking enforcement action against unlicensed MSOs.

4 The key performance measures are:

Targets

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
issuing licences for prescribed articles within one working day upon receipt of applications (%) ^α	100	100	100	100
clearing detained sea cargo within five working days from date of request (%) ^α	100	100	100	100
clearing detained air cargo within 80 minutes from time of request (%) ^α	100	100	100	100
clearing passengers within 15 minutes upon queuing up for customs clearance (except those selected for further examination) (%)	100	100	100	100
clearing vehicles crossing the land boundary within 60 seconds (except those selected for further examination) (%)	100	100	100	100
issuing or renewing licences for MSOs within 33 working days upon receipt of applications (%) ^α	100	100	100	100

^α The target is applicable upon receipt of all necessary documents and information.

Indicators

	2018 (Actual)	2019 (Actual)#	2020 (Estimate)
carriage licences issued	2	4	4
seizure cases	25 858	29 418	— ^Λ
value of seizures (\$m)			
dutiable commodities [¶]	44.9	182.0	— ^Λ
articles other than dutiable commodities	399.6	398.6	— ^Λ
conveyance used for smuggling (e.g. vehicles, speedboats and small crafts).....	14.3	8.1	— ^Λ
persons compounded for offences relating to illicit cigarettes	11 151	15 431	— ^Λ

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	2018 (Actual)	2019 (Actual)#	2020 (Estimate)
MSO licences issued or renewed	918	923	987

Figures for 2019 are subject to adjustment.

^ Not possible to estimate.

¶ Denote cases detected at all entry and exit points but excluding those taken over for in-depth investigation, which are reflected in Programme (4).

Matters Requiring Special Attention in 2020–21

5 During 2020–21, the Department will:

- provide customs clearance services at Heung Yuen Wai Boundary Control Point;
- provide 24-hour customs clearance services at Shenzhen Bay Control Point;
- strengthen the regulation of MSOs under the AMLO and step up investigation and prosecution of Customs-related money laundering offences to enhance the effectiveness of Hong Kong's anti-money laundering and counter-terrorist financing regime;
- continue to operate the Trade Single Window (TSW) Operation Office to deliver the service under TSW Phase 1 which provides an electronic platform for submission of the relevant types of business-to-government trade documents covered by Phase 1;
- continue to take proactive action against smuggling activities through intelligence-based operations and closer co-operation with the authorities of the Mainland and other places;
- continue to improve clearance services to facilitate efficient passenger and cargo flows across the boundary;
- continue to closely monitor the operation of the electronic Road Cargo System to ensure efficient and effective clearance of cross-boundary goods vehicles;
- continue to ensure smooth operation of the Inter-modal Transshipment Facilitation Scheme, whereby cargoes involving inter-modal transfer (e.g. from land to air and sea) will only be subject to customs inspection at either the point of exit or entry in Hong Kong;
- continue to work with the Mainland authorities to promote the utilisation of Single E-lock Scheme, ensure its smooth operation and explore setting up more clearance points in the Mainland, so as to enhance customs clearance efficiency for cross-border inter-modal cargoes by reducing repeated inspections by Hong Kong and Guangdong customs authorities;
- continue to promote the Free Trade Agreement (FTA) Transshipment Facilitation Scheme to enable traders to enjoy tariff reductions in the Mainland and its FTA partners for trade in goods between them passing through Hong Kong;
- continue to promote and develop the Hong Kong Authorized Economic Operator Programme and further extend Hong Kong's network of mutual recognition arrangements with other economies, such that accredited Hong Kong companies may enjoy facilitation such as reduced inspection and prioritised clearance in Hong Kong and more economies; and
- continue to maintain effective supervision of licensed MSOs to ensure compliance with the customer due diligence and record-keeping obligations.

Programme (2): Anti-narcotics Investigation

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	249.0	250.5	249.8 (–0.3%)	270.5 (+8.3%)
				(or +8.0% on 2019–20 Original)

Aim

6 The aims are to suppress illicit trafficking in and abuse of dangerous drugs, to combat money laundering and to prevent diversion of controlled chemicals for the illicit manufacture of dangerous drugs.

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Brief Description

7 The Department is responsible for investigating and detecting the illegal import, export, manufacture, distribution and abuse of dangerous drugs. It conducts financial investigations to trace the assets of drug traffickers and initiates confiscation proceedings in respect of drug-related assets. It also exercises licensing control on the import, export and transshipment of controlled chemicals and conducts investigations to prevent and detect their illicit diversion.

8 The Department co-operates with other Customs administrations and law enforcement agencies outside Hong Kong to combat international drug trafficking and money laundering, and to prevent illicit diversion of controlled chemicals. This work includes:

- surveillance, investigations and operations to combat organised drug syndicates and individual drug offenders;
- identification and confiscation of drug-related assets derived from offences committed in or outside Hong Kong;
- liaison and co-operation with drug enforcement agencies and other competent authorities in or outside Hong Kong in the suppression of international drug trafficking and illicit diversion of controlled chemicals; and
- collection, collation and exchange of intelligence with law enforcement agencies in or outside Hong Kong.

9 The key performance measures are:

Targets

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
issuing authorisation for import/export of chemicals (as listed in Schedule 1 or 2 of the Control of Chemicals Ordinance (Cap. 145)) within ten working days upon receipt of applications (%) ^α	100	100	100	100
issuing authorisation for export of any chemicals listed in Schedule 3 of the Control of Chemicals Ordinance to any country specified in the same Schedule within ten working days upon receipt of applications (%) ^α	100	100	100	100
issuing approval for storing/keeping any chemicals listed in Schedule 1 or 2 of the Control of Chemicals Ordinance within five working days upon receipt of applications (%) ^α	100	100	100	100

^α The target is applicable upon receipt of all necessary documents and information.

Indicators

	2018 (Actual)	2019 (Actual) ^λ	2020 (Estimate)
drug abusers reported to the Central Registry of Drug Abuse maintained by Security Bureau			
aged under 21	471	346§	— ^Λ
aged 21 or above	6 140	4 279§	— ^Λ
average purity of heroin (indicative of availability) (%)	69.0	75.7	— ^Λ
average retail price of heroin (\$ per gram).....	842.5	836.2	— ^Λ
dangerous drugs seized in Hong Kong			
seizure cases.....	919	826	— ^Λ
narcotics seized			
heroin (kg).....	30.1	20.0	— ^Λ
psychotropic drugs seized			
cocaine (kg).....	253.2	628.9	— ^Λ
cannabis (kg).....	141.1	266.0	— ^Λ
MDMA (ecstasy) (tablet).....	4 527	35 673	— ^Λ
methylamphetamine (ice) (kg).....	147.1	251.6	— ^Λ
ketamine (kg)	18.5	361.5	— ^Λ
dangerous drugs seized outside Hong Kong (as a result of customs co-operation with agencies outside Hong Kong) (kg)	1 338.3	2 125.1	— ^Λ
persons arrested outside Hong Kong (as a result of customs co-operation with agencies outside Hong Kong)	39	24	— ^Λ

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	2018 (Actual)	2019 (Actual) ^λ	2020 (Estimate)
assets of drug traffickers (\$m)			
restrained.....	6.0	5.6	— ^Λ
confiscated.....	0	3.7	— ^Λ
poisons/anti-biotics seized in Hong Kong			
seizure cases.....	178	163	— ^Λ
quantity (kg).....	179.8	74.7	— ^Λ
quantity (tablet).....	90 796	2 642 222	— ^Λ

^λ Figures for 2019, unless otherwise stated, are subject to adjustment.

[§] Based on the figure provided by the Narcotics Division of the Security Bureau for the first three quarters of 2019.

^Λ Not possible to estimate.

Matters Requiring Special Attention in 2020–21

10 During 2020–21, the Department will continue to:

- strengthen the co-operation and intelligence exchange on drug trafficking, money laundering and smuggling of controlled chemicals with the Mainland and overseas law enforcement agencies;
- step up enforcement actions against drug trafficking via airport and land boundary control points through closer co-operation with the Mainland authorities and overseas counterparts; and
- liaise with relevant policy bureaux and government departments to monitor any new threat posed by drugs of abuse and precursor chemicals in other regions, and constantly review the corresponding enforcement strategies.

Programme (3): Intellectual Property Rights and Consumer Protection

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	354.6	395.3	393.3 (–0.5%)	480.4 (+22.1%)
				(or +21.5% on 2019–20 Original)

Aim

11 The aims are to prevent and detect copyright and trade mark infringement; to collaborate with trade mark and copyright owners, relevant organisations and law enforcement agencies in or outside Hong Kong in order to combat trade mark counterfeiting and copyright piracy; and to enforce consumer protection legislation relating to weights and measures, toys and children's products safety, consumer goods safety, trade descriptions and trade practices.

Brief Description

12 The Department is responsible for suppressing offences and investigating complaints related to copyright infringement under the Copyright Ordinance (Cap. 528) and the Prevention of Copyright Piracy Ordinance (Cap. 544), forgery of trade marks, false trade descriptions and unfair trade practices under the Trade Descriptions Ordinance (Cap. 362), short weights and measures under the Weights and Measures Ordinance (Cap. 68), unsafe toys and children's products under the Toys and Children's Products Safety Ordinance (Cap. 424) as well as unsafe consumer goods under the Consumer Goods Safety Ordinance (Cap. 456). It initiates investigations in these areas and collaborates as necessary with organisations and law enforcement agencies in or outside Hong Kong, and with trade mark and copyright owners. To safeguard the interests of consumers, the Department also conducts spot checks to ensure compliance with the Toys and Children's Products Safety Ordinance, the Weights and Measures Ordinance, the Consumer Goods Safety Ordinance and the Trade Descriptions Ordinance. The enforcement work involves:

Intellectual property rights

- conducting investigations and taking enforcement actions against persons and syndicates suspected of committing offences relating to infringement of intellectual property rights;
- executing court orders to detain goods at importation for the purpose of enforcing boundary measures to comply with the Agreement on Trade-Related Aspects of Intellectual Property Rights established under the auspices of the World Trade Organization;
- arranging and supervising the examination and identification of seizures by trade mark and copyright owners or their representatives;

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- conducting inspections on licensed optical disc mastering and replication factories to guard against manufacture of pirated optical discs and stampers;
- controlling the import and export of optical discs mastering and replication equipment; and
- applying to the court for the confiscation of financial proceeds obtained from intellectual property rights infringement crimes.

Consumer protection

- conducting spot checks on the accuracy of weighing and measuring equipment, compliance with the safety requirements for toys and children's products and consumer goods, compliance with the orders for provision of information on precious stones, metals and regulated electronic products, and compliance with the requirements on trade descriptions and trade practices; and
- investigating complaints relating to short weights and measures, unsafe toys and children's products and consumer goods, false trade descriptions and unfair trade practices.

13 The key performance measures are:

Targets

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
issuing licences for import and export of optical disc mastering and replication equipment within two working days upon receipt of applications (%) ^α	100	100	100	100
issuing licences for manufacturing of optical discs within 14 working days upon receipt of applications (%) ^α	100	N.A. ^β	100	100
commencing investigations into urgent complaints against short weights and measures and unsafe products within 24 hours upon receipt of complaints (%).....	100	100	100	100
commencing investigations into priority complaints against short weights and measures and unsafe products within three working days upon assessment of complaints (%).....	100	100	100	100
commencing investigations into urgent complaints against unfair trade practices within 24 hours upon receipt of complaints (%).....	100	100	100	100
commencing investigations into priority complaints against unfair trade practices within three working days upon assessment of complaints (%).....	100	100	100	100

^α The target is applicable upon receipt of all necessary documents and information.

^β No such application was received in 2018.

Indicators

	2018 (Actual)	2019 (Actual)#	2020 (Estimate)
<i>Intellectual property rights</i>			
intellectual property rights investigations	1 448	1 710	— [^]
seizure cases	950	888	— [^]
value of seizures (including optical discs, textiles, leather-ware, footwear and telecommunications equipment) (\$m)	103.6	117.1	— [^]
spot checks on optical disc factories	12	12	12
verifications on import/export of optical disc mastering and replication equipment	18	18	18

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	2018 (Actual)	2019 (Actual)#	2020 (Estimate)
<i>Weights and measures</i>			
spot checks	1 749	1 707	1 700
seizure cases	15	8	— [^]
value of seizures (\$'000).....	21.4	31.3	— [^]
<i>Toys and children's products safety</i>			
spot checks	1 686	1 600	1 800
seizure cases	22	26	— [^]
value of seizures (\$'000).....	85.1	405.6	— [^]
<i>Consumer goods safety</i>			
spot checks	1 410	2 114	1 400
seizure cases	8	22	— [^]
value of seizures (\$'000).....	5.8	85.9	— [^]
<i>Fair trading in articles (trade descriptions)</i>			
spot checks	4 023	4 018	4 000
seizure cases	29	31	— [^]
value of seizures (\$'000).....	1,600	2,472	— [^]

Figures for 2019 are subject to adjustment.

[^] Not possible to estimate.

Matters Requiring Special Attention in 2020–21

14 During 2020–21, the Department will continue to:

- strengthen the co-operative alliance with the industries and enforcement agencies in detecting online sale of infringing goods;
- invoke the Organised and Serious Crimes Ordinance (Cap. 455) to investigate intellectual property crimes where applicable;
- upgrade the capability in the investigation of Internet and electronic crimes relating to infringement of intellectual property rights;
- promote public and traders' awareness of intellectual property rights and consumer protection legislation through publicity and education programmes; and
- strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services.

Programme (4): Revenue Protection and Collection

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	212.4	215.6	214.9 (–0.3%)	232.3 (+8.1%)
				(or +7.7% on 2019–20 Original)

Aim

15 The aims are to collect and protect revenue from dutiable commodities stipulated in the Dutiable Commodities Ordinance (Cap. 109) and to assess the provisional taxable values of motor vehicles under the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330).

Brief Description

16 The Department is responsible for the collection and protection of duties derived from dutiable commodities stipulated in the Dutiable Commodities Ordinance. It administers a licensing and permit system to control the manufacture, import, export, storage and movement of dutiable commodities.

17 The Department assesses the provisional taxable values of motor vehicles for the purpose of calculating the first registration tax and maintains a registration scheme for motor vehicle importers and distributors.

18 The Department is responsible for combating smuggling and distribution of illicit cigarettes and taking enforcement actions against illicit fuel activities at all levels.

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19 The key performance measures are:

Targets

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
<i>Dutiable commodities</i>				
issuing import and export licences within 12 working days upon receipt of applications (%) ^α	100	100	100	100
issuing permits within half a working day upon receipt of applications (%) ^α	100	100	100	100
providing customs attendance within two working days upon receipt of applications (%) ^α	100	100	100	100
<i>First Registration Tax</i>				
completing assessment of provisional taxable values of imported vehicles within five working days upon receipt of applications (%) ^α	100	100	100	100
completing registration of importers/ distributors of motor vehicles within seven working days upon receipt of applications (%) ^α	100	100	100	100

^α The target is applicable upon receipt of all necessary documents and information.

Indicators

	2018 (Actual)	2019 (Actual)#	2020 (Estimate)
<i>Dutiable commodities</i>			
licences issued.....	103	133	133
permits issued ^Ω	165 792	180 028	180 000
duty collected (\$m)	10,677.9	10,858.8	10,897.4
duty recovered (\$m)	2.7	3.2	— ^Λ
licence fees, customs attendance fees and other related payments collected (\$m).....	6.3	6.9	6.7
revenue collected per \$1 provision (\$) ^Ω	104.3	112.1	112.5
cases detected.....	37	50	— ^Λ
<i>Anti-illicit-cigarette enforcement^δ</i>			
seizure cases	1 380	855	— ^Λ
cigarettes seized (*000 sticks)	48 009	49 440	— ^Λ
vehicles seized.....	79	56	— ^Λ
vessels seized	0	0	— ^Λ
persons prosecuted for offences relating to illicit cigarettes	1 782	1 862	— ^Λ
<i>Anti-illicit-fuel enforcement^δ</i>			
seizure cases	2	2	— ^Λ
hydrocarbon oil seized (*000 litres)	3	1	— ^Λ
illicit fuel filling stations neutralised.....	0	0	— ^Λ
<i>First Registration Tax</i>			
cases detected.....	42	30	— ^Λ
inspection and verification of imported vehicles for payment of First Registration Tax.....	1 414	1 437	1 430
assessment of provisional taxable value on imported vehicles (cases).....	64 760	57 866	57 800
re-assessment of provisional taxable value on imported vehicles (cases).....	21 681	20 399	20 300

Figures for 2019 are subject to adjustment.

^Ω The figures cover both new permits and amended permits issued.

^Λ Not possible to estimate.

^δ The figures reflect the enforcement efforts of the Department but exclude cases mentioned in Programme (1).

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Matters Requiring Special Attention in 2020–21

20 During 2020–21, the Department will continue to:

- strengthen enforcement actions against illicit cigarettes activities, especially in respect of cross-boundary smuggling and telephone-order peddling;
- strengthen regional co-operation with other Customs administrations in combating smuggling of illicit cigarettes; and
- strengthen co-operation with the Mainland Customs in combating cross-boundary smuggling of illicit fuel.

Programme (5): Trade Controls

	2018–19 (Actual)	2019–20 (Original)	2019–20 (Revised)	2020–21 (Estimate)
Financial provision (\$m)	206.1	213.2	213.1 (—)	226.0 (+6.1%)
				(or +6.0% on 2019–20 Original)

Aim

21 The aims are to secure and maintain the integrity and credibility of the various trade control and import and export control systems operated in Hong Kong in fulfilment of international obligations and for public health and safety reasons; as well as to collect import and export declarations and declaration charges under the Import and Export (Registration) Regulations (Cap. 60E) and clothing levies under the Industrial Training (Clothing Industry) Ordinance (Cap. 318).

Brief Description

22 The Department enforces the relevant laws for various trade control systems including those concerning the issue of Certificates of Origin, the import and export of strategic commodities, reserved commodities and other prohibited goods, as well as compliance with the Chemical Weapons Convention, with a view to preventing and detecting abuses of these systems. The Department is also tasked to collect import and export declarations, declaration charges and clothing levies and to enforce the relevant statutory control on these systems. The enforcement work involves:

- factory and consignment inspections to ensure compliance with legislation governing the issue of Certificates of Origin and import and export of other prohibited goods;
- costing checks on goods covered by Certificates of Hong Kong Origin – Closer Economic Partnership Arrangement (CO(CEPA)) to help ensure that only goods that pass a value-added percentage threshold can benefit from the tariff preference under the Mainland and Hong Kong Closer Economic Partnership Arrangement (CEPA);
- blitz checks on consignments subject to licensing control or covered by CO(CEPA) at entry and exit points and public cargo working areas;
- consignment inspections to ensure compliance with legislation governing the import and export of strategic commodities and other licensable items;
- inspections and verifications to ensure the effective implementation of the Chemical Weapons Convention in Hong Kong;
- inspections to enforce control on reserved commodities;
- collection of import and export declaration charges and clothing levies under the respective legislation;
- verification and assessment of the values of import and export consignments to recover underpaid import and export declaration charges and clothing levies; and
- investigation and prosecution of contraventions.

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23 The key performance measures are:

Targets

	Target	2018 (Actual)	2019 (Actual)	2020 (Plan)
conducting pre-issue consignment inspections relating to licences on prohibited articles (other than strategic commodities) within four working days upon receipt of referral of applications from the Trade and Industry Department (TID) (%).....	100	100	100	100
conducting factory registration and re-registration inspections relating to the issue of Certificates of Origin within four working days upon receipt of referral of applications from the TID (%).....	100	100	100	100
conducting registration inspections relating to control on reserved commodities within three working days upon receipt of referral of applications from the TID (%).....	100	100	100	100
conducting pre-issue consignment inspections relating to licences for strategic commodities within two working days upon receipt of referral of applications from the TID (%).....	100	100	100	100
conducting registration and re-registration inspections under the Air Transhipment Cargo Exemption Scheme for Strategic Commodities within four working days upon receipt of referral of applications from the TID (%).....	100	100	100	100

Indicators

	2018 (Actual)	2019 (Actual)#	2020 (Estimate)
factory and consignment inspections	28 808	28 388	28 000
reserved commodities inspections.....	4 537	4 462	4 400
blitz checks on consignments subject to licensing control or covered by CO(CEPA) at entry and exit points, and public cargo working areas.....	1 009	1 003	1 000
import and export declarations			
declarations processed.....	20 580 959	19 618 567	19 500 000
overdue declarations verified.....	143 974	133 738	130 700
under-valued declarations verified.....	11 485	11 366	11 500
revenue collected (\$m).....	872.8	513.8	511.2
revenue recovered (\$m)	4.6	3.1	— [^]
administrative penalties imposed (\$m)	10.2	10.7	— [^]

Figures for 2019 are subject to adjustment.

[^] Not possible to estimate.

Matters Requiring Special Attention in 2020–21

24 During 2020–21, the Department will continue to:

- assume any enforcement responsibilities arising from the implementation of the CEPA Agreement on Trade in Goods which has taken effect since 1 January 2019 and the biannual Rules of Origin Consultations under CEPA implemented since 1 January 2006; and
- maintain effective enforcement actions on strategic trade controls by strengthening disposal checks and outreach programmes.

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ANALYSIS OF FINANCIAL PROVISION

Programme	2018–19 (Actual) (\$m)	2019–20 (Original) (\$m)	2019–20 (Revised) (\$m)	2020–21 (Estimate) (\$m)
(1) Control and Enforcement	3,113.6	3,869.4	3,552.7	4,165.9
(2) Anti-narcotics Investigation	249.0	250.5	249.8	270.5
(3) Intellectual Property Rights and Consumer Protection.....	354.6	395.3	393.3	480.4
(4) Revenue Protection and Collection	212.4	215.6	214.9	232.3
(5) Trade Controls.....	206.1	213.2	213.1	226.0
	4,135.7	4,944.0	4,623.8 (–6.5%)	5,375.1 (+16.2%)
				(or +8.7% on 2019–20 Original)

Analysis of Financial and Staffing Provision

Programme (1)

Provision for 2020–21 is \$613.2 million (17.3%) higher than the revised estimate for 2019–20. This is mainly due to the net increase of 176 posts to meet operational needs, increased operating expenses, and increased cash flow requirement for capital projects.

Programme (2)

Provision for 2020–21 is \$20.7 million (8.3%) higher than the revised estimate for 2019–20. This is mainly due to the increased operating expenses.

Programme (3)

Provision for 2020–21 is \$87.1 million (22.1%) higher than the revised estimate for 2019–20. This is mainly due to the net increase of 117 posts to meet operational needs and increased operating expenses.

Programme (4)

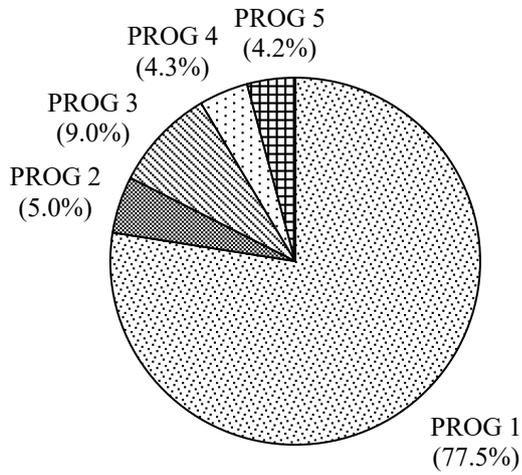
Provision for 2020–21 is \$17.4 million (8.1%) higher than the revised estimate for 2019–20. This is mainly due to the increased operating expenses.

Programme (5)

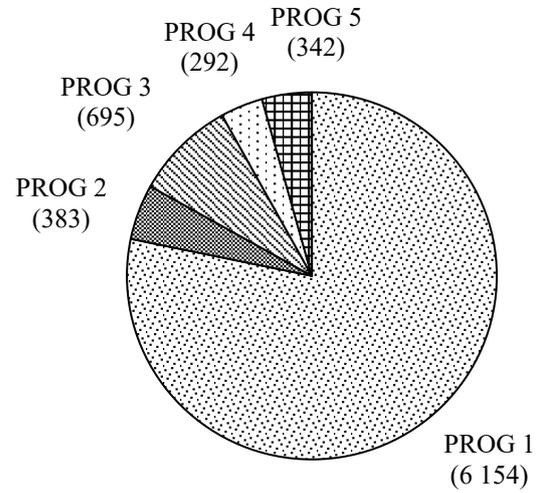
Provision for 2020–21 is \$12.9 million (6.1%) higher than the revised estimate for 2019–20. This is mainly due to the increased operating expenses.

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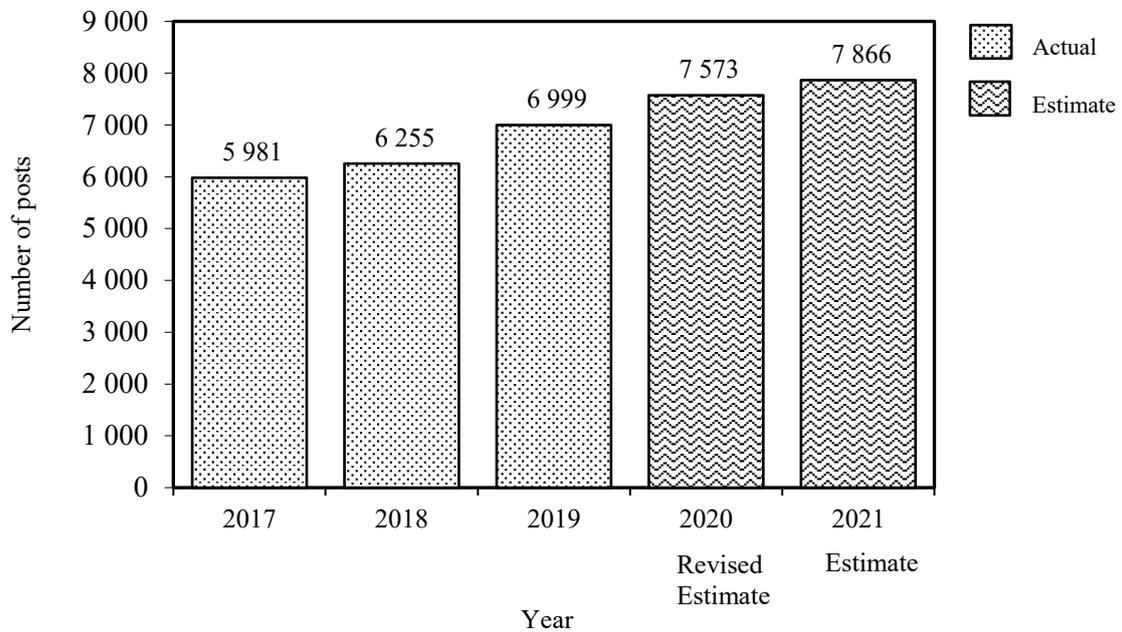
*Allocation of provision
to programmes
(2020-21)*



*Staff by programme
(as at 31 March 2021)*



*Changes in the size of the establishment
(as at 31 March)*



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Sub-head (Code)	Actual expenditure 2018–19	Approved estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21	
	\$'000	\$'000	\$'000	\$'000	
Operating Account					
Recurrent					
000	Operational expenses	3,975,068	4,661,991	4,473,525	5,083,794
103	Rewards and special services.....	14,892	12,000	12,000	12,000
292	Seizure management	47,451	51,500	51,500	53,500
	Total, Recurrent.....	4,037,411	4,725,491	4,537,025	5,149,294
	Total, Operating Account	4,037,411	4,725,491	4,537,025	5,149,294
Capital Account					
Plant, Equipment and Works					
603	Plant, vehicles and equipment.....	64,232	99,123	51,251	76,181
661	Minor plant, vehicles and equipment (block vote).....	34,056	119,347	35,547	149,656
	Total, Plant, Equipment and Works.....	98,288	218,470	86,798	225,837
	Total, Capital Account.....	98,288	218,470	86,798	225,837
	Total Expenditure	4,135,699	4,943,961	4,623,823	5,375,131

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Details of Expenditure by Subhead

The estimate of the amount required in 2020–21 for the salaries and expenses of the Customs and Excise Department is \$5,375,131,000. This represents an increase of \$751,308,000 over the revised estimate for 2019–20 and \$1,239,432,000 over the actual expenditure in 2018–19.

Operating Account

Recurrent

2 Provision of \$5,083,794,000 under *Subhead 000 Operational expenses* represents an increase of \$610,269,000 (13.6%) over the revised estimate for 2019–20. This is mainly due to the additional requirement for the provision of customs clearance services at the Heung Yuen Wai Boundary Control Point, 24-hour customs clearance services at Shenzhen Bay Control Point, enhancing the effectiveness of Hong Kong's anti-money laundering and counter-terrorist financing regime, implementation of the statutory cooling-off period for beauty and fitness services consumer contracts and assuming the regulatory role for safety of non-telecommunication functions of mobile phones and other telecommunications consumer goods (both subject to the completion of the relevant legislative exercises) as well as the increased operating expenses.

3 The establishment as at 31 March 2020 will be 7 573 posts. It is expected that there will be a net increase of 293 posts in 2020–21. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2020–21, but the notional annual mid-point salary value of all such posts must not exceed \$3,618,070,000.

4 An analysis of the financial provision under *Subhead 000 Operational expenses* is as follows:

	2018–19 (Actual) (\$'000)	2019–20 (Original) (\$'000)	2019–20 (Revised) (\$'000)	2020–21 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	2,962,788	3,251,255	3,282,001	3,552,185
- Allowances.....	71,594	74,539	72,069	83,697
- Job-related allowances.....	11,713	12,840	12,013	14,987
Personnel Related Expenses				
- Rent allowance.....	626	659	658	817
- Mandatory Provident Fund contribution.....	23,719	28,699	28,230	28,680
- Civil Service Provident Fund contribution.....	170,633	207,334	204,113	261,895
- Disturbance allowance.....	166	34	73	178
Departmental Expenses				
- General departmental expenses	728,494	1,086,291	874,015	1,140,954
Other Charges				
- Land usage cost.....	5,025	1	1	1
- Grant to the Customs and Excise Service Welfare Fund	310	339	352	400
	3,975,068	4,661,991	4,473,525	5,083,794

5 Provision of \$12 million under *Subhead 103 Rewards and special services* is for expenditure on rewards and services of a confidential nature.

6 Provision of \$53,500,000 under *Subhead 292 Seizure management* is to meet expenses related to the transportation and storage of goods seized in anti-smuggling and other enforcement activities.

Capital Account

Plant, Equipment and Works

7 Provision of \$149,656,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$114,109,000 (321%) over the revised estimate for 2019–20. This is mainly due to the increased requirement for new and replacement equipment.

Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2019	Revised estimated expenditure for 2019–20	Balance
			\$'000	\$'000	\$'000	\$'000
<i>Capital Account</i>						
603		<i>Plant, vehicles and equipment</i>				
801		Replacement of one mobile X-ray vehicle scanning system for Shenzhen Bay Control Point (AM5531)	48,006	900	1,000	46,106
802		Replacement of one mobile X-ray vehicle scanning system for Shenzhen Bay Control Point (AM5532)	48,006	900	1,000	46,106
803		Replacement and enhancement of equipment for Automatic Vehicle Clearance Support System for Goods Vehicles at Lok Ma Chau Control Point, Man Kam To Control Point, Sha Tau Kok Control Point and Shenzhen Bay Control Point.....	113,400	—	5,000	108,400
804		Replacement and enhancement of closed circuit television system at Customs Headquarters Building	21,559	—	4,500	17,059
834		Replacement of one high speed pursuit craft (CE17)	26,293	3,235	16,942	6,116
835		Replacement of one high speed pursuit craft (CE18)	26,293	3,148	16,943	6,202
882		Replacement of one mobile X-ray vehicle scanning system for Kwai Chung Customhouse (AM5529).....	46,872	12,064	2,933	31,875
883		Replacement of one mobile X-ray vehicle scanning system for Kwai Chung Customhouse (AM5530).....	46,872	12,027	2,933	31,912
		Total	<u>377,301</u>	<u>32,274</u>	<u>51,251</u>	<u>293,776</u>