

## Head 31 — CUSTOMS AND EXCISE DEPARTMENT

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

<b>Estimate 2026–27</b> .....	<b>\$6,163.0m</b>
<b>Establishment ceiling 2026–27</b> (notional annual mid-point salary value) representing an estimated 7 839 non-directorate posts as at 31 March 2026 reducing by 169 posts to 7 670 posts as at 31 March 2027.....	<b>\$4,208.1m</b>
In addition, there will be an estimated 12 directorate posts as at 31 March 2026 reducing by two posts to ten posts as at 31 March 2027.	
<b>Commitment balance</b> .....	<b>\$494.5m</b>

### Controlling Officer’s Report

#### Programmes

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

#### Detail

##### Programme (1): Control and Enforcement

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	4,648.4	4,796.6	4,616.9 (–3.7%)	<b>4,859.5</b> (+5.3%)
				(or +1.3% on 2025–26 Original)

#### *Aim*

**2** The aims are to safeguard national security, 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 administer two regulatory regimes for the Money Service Operators (MSOs) and for the Dealers in Precious Metals and Stones (DPMS).

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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 and DPMS under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) (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);
- licensing and supervising MSOs under AMLO and taking enforcement action against unlicensed MSOs; and
- registering and supervising DPMS under AMLO and taking enforcement action against DPMS carrying out specified transaction/specified cash transaction without proper registration or non-Hong Kong DPMS failing to submit cash transaction reports.

4 The key performance measures are:

### *Targets*

	Target	2024 (Actual)	2025 (Actual)	2026 (Plan)
issuing licences for prescribed articles within one working day upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>
clearing detained sea cargo within five working days from date of request (%) <sup>α</sup> .....	100	100	100	<b>100</b>
clearing detained air cargo within 80 minutes from time of request (%) <sup>α</sup> .....	100	100	100	<b>100</b>
clearing passengers within 15 minutes upon queuing up for customs clearance (except those selected for further examination) (%) .....	100	100	100	<b>100</b>
clearing vehicles crossing the land boundary within 60 seconds (except those selected for further examination) (%) .....	100	100	100	<b>100</b>
issuing or renewing licences for MSOs within 33 working days upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>
approving DPMS Category A registrations within 12 working days upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>
approving or renewing <sup>⊖</sup> DPMS Category B registrations within 33 working days upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>

<sup>α</sup> The target is applicable upon receipt of all necessary documents and information.

<sup>⊖</sup> The DPMS regulatory regime came into effect on 1 April 2023 and a DPMS Category B registration is normally valid for three years. Renewal of registration is required from 2026 onwards.

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### Indicators

	2024 (Actual)	2025 (Actual)#	2026 (Estimate)
carriage licences issued .....	10	13	13
seizure cases .....	29 824	38 269	— <sup>^</sup>
value of seizures (\$m)			
dutiable commodities¶ .....	401.6	794.8	— <sup>^</sup>
articles other than dutiable commodities .....	2,839.8	2,490.6	— <sup>^</sup>
conveyance used for smuggling (e.g. vehicles, speedboats and small crafts).....	8.8	10.8	— <sup>^</sup>
persons compounded for offences relating to illicit cigarettes .....	19 072	26 985	— <sup>^</sup>
MSO licences issued or renewed .....	299	290	304
DPMS Category A registrations approved.....	4 291	1 674	1 680
DPMS Category B registrations approved or renewed⊙ .....	385	22	330‡

# Figures in 2025 are subject to adjustment.

<sup>^</sup> Not possible to estimate.

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

⊙ The DPMS regulatory regime came into effect on 1 April 2023 and a DPMS Category B registration is normally valid for three years. Renewal of registration is required from 2026 onwards.

‡ As the Category B registrations approved in 2023 will need to be renewed in 2026, it is estimated that the number in 2026 will increase.

### Matters Requiring Special Attention in 2026–27

5 During 2026–27, the Department will:

- continue to promote and develop the Cross-boundary Express Cargo Clearance Facilitation Arrangement to facilitate clearance of inbound express cargo through land boundary control points;
- continue to provide effective customs clearance service for passengers and private cars under the “Northbound Travel for Hong Kong Vehicles” Scheme and provide customs clearance service for passengers and private cars under the “Southbound Travel for Guangdong Vehicles” Scheme at the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port;
- develop an Automated Private Car Clearance System to provide seamless clearance service for cross-boundary private cars;
- develop Video Analytics technology to provide efficient and effective customs clearance service for passengers at boundary control points;
- continue to promote and develop the Air-Land Fresh Lane initiative, facilitating the transshipment of overseas fresh products to the Chinese Mainland and empowering high-quality fresh products from the Greater Bay Area (GBA) to access overseas markets in order to leverage the advantages of the Hong Kong International Airport (HKIA) and the Hong Kong-Zhuhai-Macao Bridge, thereby promoting intermodal transshipment of air and land cargo in the GBA;
- continue to monitor the need for extending the operating hours of boundary control points to further facilitate passenger and cargo flow;
- 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, and assist in reinforcing Hong Kong’s status as an international aviation hub upon the commissioning of the expanded Terminal 2 under the Three-Runway System at HKIA by phases, with the departure facilities scheduled to open in the first quarter of 2026;
- continue to closely monitor the operation of the electronic Road Cargo System to ensure efficient and effective clearance of cross-boundary goods vehicles, and prepare for seamless transition from Road Cargo System to Trade Single Window (TSW) system in mid-2026;
- continue to work with the Mainland and Macao customs authorities on the enhancement and maintenance of the Guangdong-Hong Kong-Macao Customs Clearance Information Platform to provide information to the public about regulations and guidelines, administrative announcements, trade facilitation measures, enforcement cases, etc.;
- work with the relevant bureaux and departments to formulate development strategies and inter-departmental action plans for advancing the development of GBA low-altitude economy;

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- continue to work with the Mainland and Macao authorities to promote the utilisation of Single E-lock Scheme, ensure its smooth operation and explore setting up more clearance points, so as to enhance customs clearance efficiency for cross-boundary intermodal cargo by reducing repeated inspections by Hong Kong, Mainland and Macao customs authorities;
- continue to administer, supervise and enforce the Alternative Smoking Product (ASP) Transshipment Control Scheme for regulating the specified intermodal ASP transshipment, i.e. land-to-air and sea-to-air, from the Chinese Mainland to overseas via HKIA, to meet the needs of the logistics industry and to prevent leakage of ASPs into the local market;
- continue to maintain effective licensing/registration control and supervision of MSOs/DPMS under 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 TSW Operation Office to deliver the services under TSW Phases 1 and 2 and support the launch of the services under TSW Phase 3 by batches starting mid-2026 for providing a one-stop electronic platform for submission of business-to-government trade documents for trade declaration and cargo clearance;
- continue to ensure smooth operation of the Intermodal Transshipment Facilitation Scheme, whereby cargo involving intermodal 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 promote the Free Trade Agreement (FTA) Transshipment Facilitation Scheme, including the further extension of the scheme to southbound transshipment cargo destined for FTA partners, to enable traders to enjoy tariff reductions in the Chinese 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
- operate the Secretariat Office of the World Customs Organization (WCO) Vice-Chairperson for the Asia/Pacific (A/P) Region to co-ordinate customs matters within the A/P region in relation to global policies and standards, enforcement and intelligence exchange, trade facilitation, and capacity building.

### Programme (2): Anti-narcotics Investigation

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	304.5	311.7	306.0 (–1.8%)	<b>306.6</b> (+0.2%)
				(or –1.6% on 2025–26 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.

#### *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.

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9 The key performance measures are:

### *Targets*

	Target	2024 (Actual)	2025 (Actual)	2026 (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 (%) <sup>α</sup> .....	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 (%) <sup>α</sup> .....	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 (%) <sup>α</sup> .....	100	100	100	100

<sup>α</sup> The target is applicable upon receipt of all necessary documents and information.

### *Indicators*

	2024 (Actual)	2025 (Actual) <sup>λ</sup>	2026 (Estimate)
drug abusers reported to the Central Registry of Drug Abuse maintained by the Security Bureau			
aged under 21 .....	720	604§	— <sup>^</sup>
aged 21 or above .....	4 348	3 518§	— <sup>^</sup>
dangerous drugs seized in Hong Kong			
seizure cases .....	1 362	961	— <sup>^</sup>
narcotics seized			
heroin (kg).....	129.8	171.4	— <sup>^</sup>
psychotropic drugs seized			
cocaine (kg).....	711.3	972.9	— <sup>^</sup>
cannabis (kg).....	2 863.4	2 977.0	— <sup>^</sup>
MDMA (ecstasy) (tablet).....	3 346	9 163	— <sup>^</sup>
methylamphetamine (ice) (kg).....	1 110.2	1 664.4	— <sup>^</sup>
ketamine (kg) .....	1 201.8	1 486.1	— <sup>^</sup>
dangerous drugs seized outside Hong Kong (as a result of customs co-operation with agencies outside Hong Kong) (kg) .....	383.6	440.8	— <sup>^</sup>
persons arrested outside Hong Kong (as a result of customs co-operation with agencies outside Hong Kong) .....	40	45	— <sup>^</sup>
assets of drug traffickers (\$m)			
restrained.....	0	0	— <sup>^</sup>
confiscated .....	0.9	0.1	— <sup>^</sup>
poisons/anti-biotics seized in Hong Kong			
seizure cases.....	352	275	— <sup>^</sup>
quantity (kg).....	789.8	12 534.9	— <sup>^</sup>
quantity (tablet).....	1 321 108	1 912 978	— <sup>^</sup>

<sup>λ</sup> Figures in 2025, unless otherwise stated, are subject to adjustment.

<sup>§</sup> Based on the figure provided by the Narcotics Division of the Security Bureau for the first three quarters of 2025.

<sup>^</sup> Not possible to estimate.

### *Matters Requiring Special Attention in 2026–27*

10 During 2026–27, 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;

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- 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 bureaux and 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

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	478.3	541.7	477.0 (–11.9%)	<b>538.3</b> (+12.9%)
				(or –0.6% on 2025–26 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), falsifying the register of trade marks, falsely representing a trade mark as registered and misusing the title of the Trade Marks Registry under the Trade Marks Ordinance (Cap. 559), 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;
- 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.

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13 The key performance measures are:

### *Targets*

	Target	2024 (Actual)	2025 (Actual)	2026 (Plan)
issuing licences for import and export of optical disc mastering and replication equipment within two working days upon receipt of applications (%) <sup>α</sup> .....	100	N.A. <sup>μ</sup>	N.A. <sup>μ</sup>	<b>100</b>
issuing licences for manufacturing of optical discs within 14 working days upon receipt of applications (%) <sup>α</sup> .....	100	N.A. <sup>β</sup>	100	<b>100</b>
commencing investigations into urgent complaints against short weights and measures and unsafe products within 24 hours upon receipt of complaints (%).....	100	100	100	<b>100</b>
commencing investigations into priority complaints against short weights and measures and unsafe products within three working days upon assessment of complaints (%).....	100	100	100	<b>100</b>
commencing investigations into urgent complaints against unfair trade practices within 24 hours upon receipt of complaints (%).....	100	100	100	<b>100</b>
commencing investigations into priority complaints against unfair trade practices within three working days upon assessment of complaints (%).....	100	100	100	<b>100</b>

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

μ No such application was received in 2024 and 2025.

β No such application was received in 2024.

### *Indicators*

	2024 (Actual)	2025 (Actual)#	2026 (Estimate)
<i>Intellectual property rights</i>			
intellectual property rights investigations .....	1 451	1 576	— <sup>Λ</sup>
seizure cases .....	784	723	— <sup>Λ</sup>
value of seizures (including optical discs, textiles, leather-ware, footwear and telecommunications equipment) (\$m) .....	309.1	418.0	— <sup>Λ</sup>
spot checks on optical disc factories .....	12	12	<b>12</b>
verifications on import/export of optical disc mastering and replication equipment .....	18	18	<b>18</b>
<i>Weights and measures</i>			
spot checks .....	1 700	1 700	<b>1 700</b>
seizure cases .....	1	0	— <sup>Λ</sup>
value of seizures (\$'000).....	100.0	0.0	— <sup>Λ</sup>
<i>Toys and children's products safety</i>			
spot checks .....	1 800	1 800	<b>1 800</b>
seizure cases .....	4	2	— <sup>Λ</sup>
value of seizures (\$'000).....	10.2	3.8	— <sup>Λ</sup>
<i>Consumer goods safety</i>			
spot checks .....	1 870	1 729	<b>1 800</b>
seizure cases .....	17	8	— <sup>Λ</sup>
value of seizures (\$'000).....	172.8	625.3	— <sup>Λ</sup>

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	2024 (Actual)	2025 (Actual)#	2026 (Estimate)
<i>Fair trading in articles (trade descriptions)</i>			
spot checks .....	4 055	4 029	<b>4 000</b>
seizure cases .....	22	17	— <sup>^</sup>
value of seizures (\$'000).....	5,356	4,812	— <sup>^</sup>

# Figures in 2025 are subject to adjustment.

<sup>^</sup> Not possible to estimate.

### **Matters Requiring Special Attention in 2026–27**

**14** During 2026–27, 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 Organized 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;
- strengthen enforcement actions against false trade descriptions and unfair trade practices in respect of both goods and services; and
- work with the Commerce and Economic Development Bureau to consider the way forward for the proposed legislative amendments of the Trade Descriptions Ordinance, taking into account the views received during public consultation, for enhancing the protection of consumers' rights and interests and combatting more effectively common unfair trade practices.

### **Programme (4): Revenue Protection and Collection**

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	2026–27 (Estimate)
Financial provision (\$m)	235.7	236.6	230.7 (–2.5%)	<b>232.5</b> (+0.8%)
				(or –1.7% on 2025–26 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 combatting smuggling and distribution of illicit cigarettes and taking enforcement actions against illicit fuel activities at all levels.

**19** The key performance measures are:

### **Targets**

	Target	2024 (Actual)	2025 (Actual)	2026 (Plan)
<i>Dutiable commodities</i>				
issuing import and export licences within 12 working days upon receipt of applications (%) <sup>a</sup> .....	100	100	100	<b>100</b>

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	Target	2024 (Actual)	2025 (Actual)	2026 (Plan)
issuing permits within half a working day upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>
providing customs attendance within two working days upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>
<i>First Registration Tax</i>				
completing assessment of provisional taxable values of imported vehicles within five working days upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>
completing registration of importers/ distributors of motor vehicles within seven working days upon receipt of applications (%) <sup>α</sup> .....	100	100	100	<b>100</b>

<sup>α</sup> The target is applicable upon receipt of all necessary documents and information.

### Indicators

	2024 (Actual)	2025 (Actual)#	2026 (Estimate)
<i>Dutiable commodities</i>			
licences issued.....	99	108	<b>108</b>
permits issued <sup>Ω</sup> .....	106 468	123 669	<b>123 000</b>
duty collected (\$m) .....	8,448.5	7,881.2	<b>8,298.0</b>
duty recovered (\$m) .....	3.1	2.0	— <sup>Λ</sup>
licence fees, customs attendance fees and other related payments collected (\$m).....	9.2	8.9	<b>9.2</b>
revenue collected per \$1 provision (\$) <sup>δ</sup> .....	73.7	68.8	<b>72.5</b>
cases detected.....	6	0	— <sup>Λ</sup>
<i>Anti-illicit-cigarette enforcement<sup>δ</sup></i>			
seizure cases .....	1 125	1 127	— <sup>Λ</sup>
cigarettes seized ('000 sticks) .....	548 266	447 083	— <sup>Λ</sup>
vehicles seized.....	52	39	— <sup>Λ</sup>
vessels seized .....	3	4	— <sup>Λ</sup>
persons prosecuted for offences relating to illicit cigarettes....	1 359	1 482	— <sup>Λ</sup>
<i>Anti-illicit-fuel enforcement<sup>δ</sup></i>			
seizure cases .....	16	44	— <sup>Λ</sup>
hydrocarbon oil seized ('000 litres) .....	22	106	— <sup>Λ</sup>
illicit fuel filling stations neutralised.....	15	39	— <sup>Λ</sup>
<i>First Registration Tax</i>			
cases detected.....	8	8	— <sup>Λ</sup>
inspection and verification of imported vehicles for payment of First Registration Tax.....	1 447	1 441	<b>1 440</b>
assessment of provisional taxable value on imported vehicles (cases).....	54 940	63 497	<b>63 500</b>
re-assessment of provisional taxable value on imported vehicles (cases).....	15 548	14 199	<b>14 200</b>

# Figures in 2025 are subject to adjustment.

<sup>Ω</sup> The figures cover both new permits and amended permits issued.

<sup>Λ</sup> Not possible to estimate.

<sup>δ</sup> The figures reflect the enforcement efforts of the Department but exclude cases mentioned in Programme (1).

### Matters Requiring Special Attention in 2026–27

**20** During 2026–27, the Department will continue to:

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

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- enhance enforcement efficiency against illicit activities involving duty-not-paid cigarettes through the new enforcement measures under the Dutiable Commodities Ordinance (Cap. 109);
- develop and implement a Duty Stamp System to help differentiate duty-paid cigarettes from those duty-not-paid as well as restrict the sale and supply of cigarettes without a valid duty stamp in the market; and
- develop and implement the Guangzhou-Hong Kong and Shenzhen-Hong Kong Motor Vehicle Export Facilitation Scheme, streamlining the motor vehicle registration and licensing processes for electric vehicles imported from the Chinese Mainland to Hong Kong, thereby enhancing overall logistics efficiency and convenience for the motor vehicle industry.

### Programme (5): Trade Controls

	2024–25 (Actual)	2025–26 (Original)	2025–26 (Revised)	<b>2026–27 (Estimate)</b>
Financial provision (\$m)	225.8	230.7	224.8 (–2.6%)	<b>226.1</b> (+0.6%)
				(or –2.0% on 2025–26 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.

## Head 31 — CUSTOMS AND EXCISE DEPARTMENT

23 The key performance measures are:

### *Targets*

	Target	2024 (Actual)	2025 (Actual)	2026 (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 Specified Strategic Commodities within four working days upon receipt of referral of applications from the TID (%).....	100	100	100	100

### *Indicators*

	2024 (Actual)	2025 (Actual)#	2026 (Estimate)
factory and consignment inspections .....	25 902	25 285	25 500
reserved commodities inspections.....	4 420	4 323	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.....	987	978	1 000
import and export declarations			
declarations processed.....	19 139 672	18 085 714	18 100 000
overdue declarations verified.....	104 094	100 969	101 100
under-valued declarations verified.....	8 943	8 595	8 600
revenue collected (\$m).....	401.4	420.5	420.8
revenue recovered (\$m) .....	1.6	1.4	— <sup>^</sup>
administrative penalties imposed (\$m) .....	5.0	5.4	— <sup>^</sup>

# Figures in 2025 are subject to adjustment.

<sup>^</sup> Not possible to estimate.

### *Matters Requiring Special Attention in 2026–27*

24 During 2026–27, 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 outreaching programmes.

## Head 31 — CUSTOMS AND EXCISE DEPARTMENT

### ANALYSIS OF FINANCIAL PROVISION

Programme	2024–25 (Actual) (\$m)	2025–26 (Original) (\$m)	2025–26 (Revised) (\$m)	2026–27 (Estimate) (\$m)
(1) Control and Enforcement.....	4,648.4	4,796.6	4,616.9	4,859.5
(2) Anti-narcotics Investigation.....	304.5	311.7	306.0	306.6
(3) Intellectual Property Rights and Consumer Protection.....	478.3	541.7	477.0	538.3
(4) Revenue Protection and Collection.....	235.7	236.6	230.7	232.5
(5) Trade Controls.....	225.8	230.7	224.8	226.1
	5,892.7	6,117.3	5,855.4 (–4.3%)	6,163.0 (+5.3%)
				(or +0.7% on 2025–26 Original)

#### Analysis of Financial and Staffing Provision

##### Programme (1)

Provision for 2026–27 is \$242.6 million (5.3%) higher than the revised estimate for 2025–26. This is mainly due to the increased provisions for the recurrent consequence of the Three-Runway System at HKIA and other operating expenses, and increased cash flow requirements for procurement/replacement of plant and equipment, partly offset by a net decrease of 135 posts in 2026–27.

##### Programme (2)

Provision for 2026–27 is \$0.6 million (0.2%) higher than the revised estimate for 2025–26. This is mainly due to the increased provisions for operating expenses, partly offset by a net decrease of three posts in 2026–27.

##### Programme (3)

Provision for 2026–27 is \$61.3 million (12.9%) higher than the revised estimate for 2025–26. This is mainly due to the increased provisions for filling of vacancies and other operating expenses, partly offset by a net decrease of 13 posts in 2026–27.

##### Programme (4)

Provision for 2026–27 is \$1.8 million (0.8%) higher than the revised estimate for 2025–26. This is mainly due to the increased provisions for operating expenses, partly offset by a net decrease of ten posts in 2026–27.

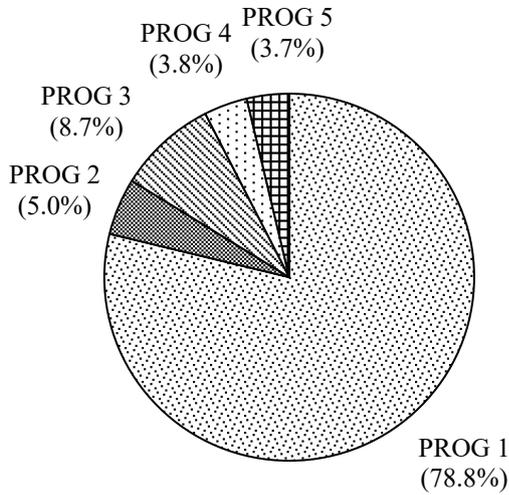
##### Programme (5)

Provision for 2026–27 is \$1.3 million (0.6%) higher than the revised estimate for 2025–26. This is mainly due to the increased provision for operating expenses, partly offset by a net decrease of ten posts in 2026–27.

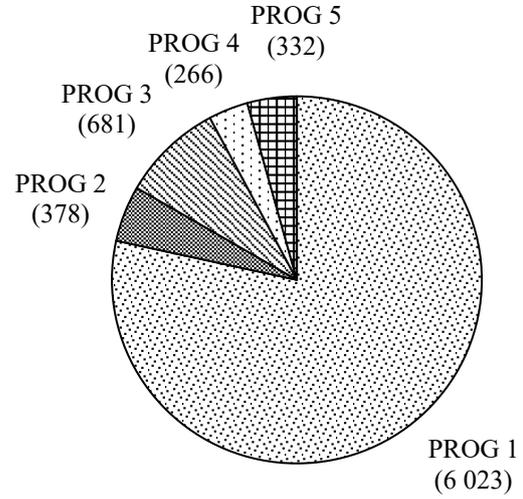
**Head 31 — CUSTOMS AND EXCISE DEPARTMENT**

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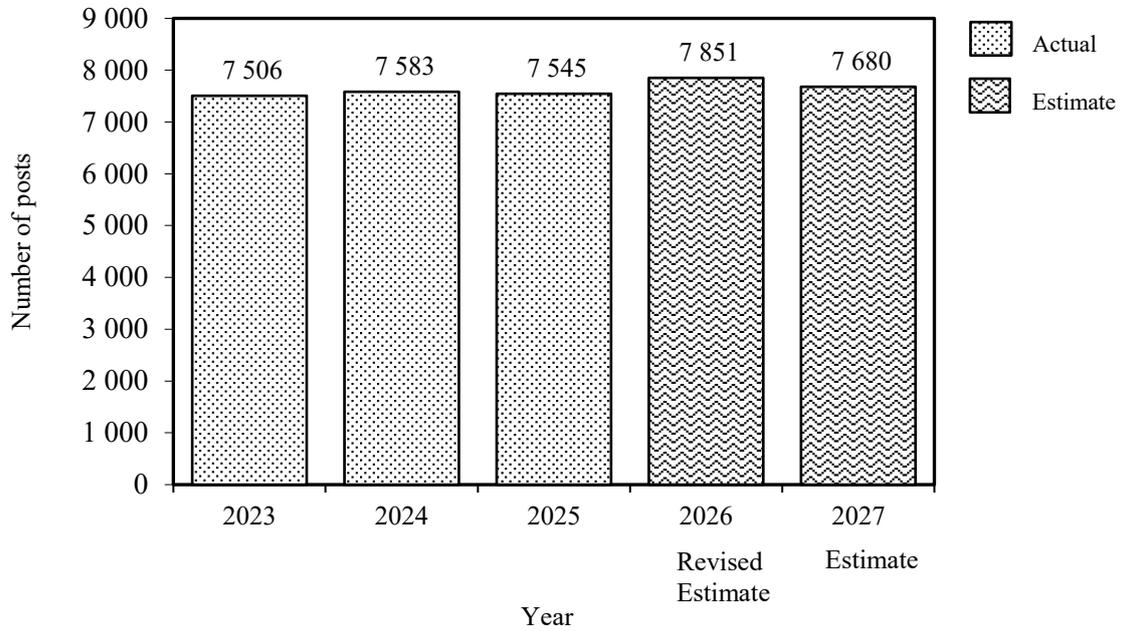
*Allocation of provision  
to programmes  
(2026-27)*



*Staff by programme  
(as at 31 March 2027)*



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



## Head 31 — CUSTOMS AND EXCISE DEPARTMENT

Sub-head (Code)	Actual expenditure 2024–25	Approved estimate 2025–26	Revised estimate 2025–26	Estimate 2026–27	
	\$'000	\$'000	\$'000	\$'000	
<b>Operating Account</b>					
Recurrent					
000	Operational expenses .....	5,688,065	5,973,068	5,744,281	<b>5,993,461</b>
103	Rewards and special services.....	25,375	12,000	19,973	<b>16,020</b>
	Seizure management .....	59,300 <sup>□</sup>	—	—	—
	Total, Recurrent.....	<u>5,772,740</u>	<u>5,985,068</u>	<u>5,764,254</u>	<b><u>6,009,481</u></b>
	Total, Operating Account .....	<u>5,772,740</u>	<u>5,985,068</u>	<u>5,764,254</u>	<b><u>6,009,481</u></b>
<b>Capital Account</b>					
Plant, Equipment and Works					
603	Plant, vehicles and equipment.....	38,847	43,741	17,850	<b>62,575</b>
661	Minor plant, vehicles and equipment (block vote).....	81,110	88,523	73,259	<b>90,955</b>
	Total, Plant, Equipment and Works.....	<u>119,957</u>	<u>132,264</u>	<u>91,109</u>	<b><u>153,530</u></b>
	Total, Capital Account.....	<u>119,957</u>	<u>132,264</u>	<u>91,109</u>	<b><u>153,530</u></b>
	Total Expenditure .....	<u><u>5,892,697</u></u>	<u><u>6,117,332</u></u>	<u><u>5,855,363</u></u>	<b><u><u>6,163,011</u></u></b>

□ The relevant provision is included under Seizure management of Other Charges under *Subhead 000 Operational expenses* as from 2025–26.

## Head 31 — CUSTOMS AND EXCISE DEPARTMENT

### Details of Expenditure by Subhead

The estimate of the amount required in 2026–27 for the salaries and expenses of the Customs and Excise Department is \$6,163,011,000. This represents an increase of \$307,648,000 over the revised estimate for 2025–26 and \$270,314,000 over the actual expenditure in 2024–25.

#### Operating Account

##### Recurrent

**2** Provision of \$5,993,461,000 under *Subhead 000 Operational expenses* is for the salaries, allowances and other operating expenses of the Customs and Excise Department.

**3** The establishment as at 31 March 2026 will be 7 851 posts. It is expected that there will be a net decrease of 171 posts in 2026–27. Subject to certain conditions, the controlling officer may under delegated power create or delete non-directorate posts during 2026–27, but the notional annual mid-point salary value of all such posts must not exceed \$4,208,073,000.

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

	2024–25 (Actual) (\$'000)	2025–26 (Original) (\$'000)	2025–26 (Revised) (\$'000)	2026–27 (Estimate) (\$'000)
Personal Emoluments				
- Salaries.....	3,912,152	4,070,741	3,944,052	<b>3,961,461</b>
- Allowances.....	90,194	89,038	83,646	<b>83,129</b>
- Job-related allowances.....	36,094	40,239	40,074	<b>40,193</b>
Personnel Related Expenses				
- Rent allowance.....	1,038	1,245	1,033	<b>957</b>
- Mandatory Provident Fund contribution.....	11,132	13,598	11,925	<b>10,049</b>
- Civil Service Provident Fund contribution.....	430,964	472,566	454,747	<b>500,994</b>
- Disturbance allowance.....	350	160	152	<b>329</b>
Departmental Expenses				
- General departmental expenses .....	1,205,793	1,225,099	1,157,210	<b>1,342,717</b>
Other Charges				
- Seizure management <sup>□</sup> .....	—	60,000	51,060	<b>53,250</b>
- Land usage cost.....	1	1	1	<b>1</b>
- Grant to the Customs and Excise Service Welfare Fund.....	347	381	381	<b>381</b>
	5,688,065	5,973,068	5,744,281	<b>5,993,461</b>

□ This replaces *Subhead 292 Seizure management* as from 2025–26 to meet expenses related to the transportation and storage of goods seized in anti-smuggling and other enforcement activities.

**5** Provision of \$16,020,000 under *Subhead 103 Rewards and special services* is for expenditure on rewards and services of a confidential nature. The decrease of \$3,953,000 (19.8%) against the revised estimate for 2025–26 is mainly due to one-off requirements for meeting operational needs in 2025–26.

#### Capital Account

##### Plant, Equipment and Works

**6** Provision of \$90,955,000 under *Subhead 661 Minor plant, vehicles and equipment (block vote)* represents an increase of \$17,696,000 (24.2%) over the revised estimate for 2025–26. This is mainly due to increased cash flow requirement for procurement/replacement of plant and equipment.

## Head 31 — CUSTOMS AND EXCISE DEPARTMENT

### Commitments

Sub-head (Code)	Item (Code)	Ambit	Approved commitment	Accumulated expenditure to 31.3.2025	Revised estimated expenditure for 2025–26	Balance
			\$'000	\$'000	\$'000	\$'000
<b>Capital Account</b>						
603		<i>Plant, vehicles and equipment</i>				
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 and Shenzhen Bay Control Point <sup>β</sup> .....	113,400	42,200	3,500	67,700
805		Replacement of one sector patrol launch (CE8).....	186,197	290	7,100	178,807
806		Replacement of one sector patrol launch (CE9).....	186,197	290	7,250	178,657
808		Replacement of one customs harbour launch (CE1).....	34,876	225	—	34,651
809		Replacement of one customs harbour launch (CE4).....	34,876	225	—	34,651
		Total .....	<u>555,546</u>	<u>43,230</u>	<u>17,850</u>	<u>494,466</u>

<sup>β</sup> This item, originally known as “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”, is a 10-year replacement exercise of equipment for Automatic Vehicle Clearance Support System at land boundary control points, funding for which was sought and passed in the context of the Appropriation Bill 2019. During project implementation stage, the “East in East out, West in West out” planning strategy for cross-boundary goods traffic reshaped the Huanggang Port (Lok Ma Chau Control Point (LMCCP)) and Sha Tau Kok Control Point (STKCP) into passenger clearance-only control points without cargo clearance service. Except for several goods vehicle (GV) kiosks in LMCCP connecting the Futian Free Trade Zone which are still required in daily operation, resources for replacement of GV kiosks in LMCCP and STKCP are available for redistribution to Shenzhen Bay Control Point that provides round-the-clock cargo clearance service. The proposed redistribution of resources, which requires no additional funding, aims to optimise the utilisation of project resources to ensure smooth operation of cargo vehicle clearance at land boundary control points. Approval for the redistribution of resources is sought in the context of the Appropriation Bill 2026.