

# LCQ3: Threats posed to Hong Kong by nuclear incidents occurring at nuclear power stations caused by natural disaster

Following is a question by the Hon Gary Fan and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (January 9):

Question:

In view of the extensive damage caused by super typhoon Mangkhut during its onslaught in Hong Kong in September last year, and the fact that the nuclear power stations in Daya Bay, Taishan, Yangjiang and Lufeng of the Guangdong Province are, at the farthest, only 220 kilometres away from Hong Kong, quite a number of members of the public are concerned about the threats posed to Hong Kong by nuclear incidents occurring at such nuclear power stations caused by natural disasters. In this connection, will the Government inform this Council:

(1) whether it knows the maximum sustained winds and the maximum gusts recorded at each of the nuclear power stations as well as the heights of the maximum storm surge and the maximum sea level recorded in the nearby waters during the onslaught of Mangkhut; the designed maximum wind pressure that each of the nuclear power stations can withstand;

(2) whether the Government's work on guarding against Mangkhut included seeking information from the Guangdong provincial authorities about the pre-typhoon preparatory measures and emergency response plans put in place for the nuclear power stations in the Province, and whether it received, after the onslaught of Mangkhut, any reports from the Guangdong provincial authorities on how such nuclear power stations had been affected by the typhoon (including if any safety incident had occurred); if so, of the details; if not, the reasons for that; and

(3) whether it will provide in the Contingency Plan for Natural Disaster that where a major natural disaster (such as typhoon, earthquake or tsunami) which may cause damage to such nuclear power stations has occurred, the Government must expeditiously seek information from the Guangdong provincial authorities on how the nuclear power stations have been affected, and make public the information so obtained; if so, of the details; if not, the reasons for that?

Reply:

President,

The construction and operation of nuclear power stations on the Mainland are governed by national regulations for civilian nuclear facilities, which

are formulated with reference to relevant international standards. When considering the siting for a nuclear installation, all previous tropical cyclones which took place within 300 to 400 kilometres of a site will be analysed for the purpose of deducing the most damaging paths that may be taken by the most severe storms and typhoons, and correspondingly adopt in the plant's design a sufficient flood protection margin. Impacts of extreme incidents such as earthquakes, tsunamis and air crashes will also be given due consideration. For example, compared to normal construction projects, substantially larger amounts of steel bars are used in the construction of nuclear power stations to achieve very high level of structural strength which enables the plants to withstand super typhoons, air crashes and other scenarios to ensure that the safety of the nuclear power stations will not be jeopardised. Besides, the designs of the breakwaters of nuclear power stations have taken into account the designed base flood level, maximum typhoon surge and wave overtopping discharge corresponding to the wind speed. In addition, operators of each nuclear power plant on the Mainland are required under relevant laws and regulations to formulate their own contingency plans for natural disasters, prescribing response actions in a planned and structured manner to ensure the safety of the nuclear power plants.

The Daya Bay Nuclear Power Station (DBNPS), comprising the Guangdong Nuclear Power Station (GNPS) and the Ling Ao Nuclear Power Station (LNPS), is relatively closer to the Hong Kong Special Administrative Region (HKSAR) (at about 50 kilometres northeast of the city's urban area). Regular co-operation and communication channels are in place between the HKSAR Government and the Guangdong authorities for periodic review of issues such as nuclear incident monitoring and notification arrangements. This is to ensure that, in case of a nuclear incident, relevant information can be obtained promptly for implementation of corresponding measures. In this regard, as early as the mid-1990s, the HKSAR Government and Guangdong authorities established an official contingency notification channel with specific time requirements, including notification within two days for non-emergency events and immediate notification for serious off-site emergencies in the DBNPS. Over the years, the notification mechanism for incidents at DBNPS has been working effectively. Furthermore, the Government has put in place a comprehensive Daya Bay Contingency Plan (DBCP), which sets out appropriate contingency measures to be adopted immediately by government departments for the protection of public health and safety in the event of a release of radioactive materials at any nuclear power station. It also stipulates that the provision of accurate, timely and appropriate information and advice to the public, via the media, Internet and other communication channels, is essential to stem panic arising from a radiological release, or even rumours of such a release, and to advise members of the public what to do and what not to do.

As for other nuclear power stations in Guangdong, the one closest to Hong Kong is about 130 kilometres from our urban area, and the rest are even further away. The general assessment made on the basis of international standards is that the threat to Hong Kong posed by nuclear power stations outside Daya Bay is small, hence the risk to which we are exposed is very

low. Nevertheless, in view of the nuclear development in Guangdong in recent years, the HKSAR Government and the Nuclear Emergency Committee Office of the Guangdong Province (GDNECO) have drawn up notification mechanisms for new nuclear power stations in the Province, so to ensure that the HKSAR Government receives sufficient information to respond. The DBCP formulated by the HKSAR Government is applicable to all nuclear power stations beyond Daya Bay that are in operation.

My reply to the specific questions raised by the Hon Gary Fan is as follows:

(1) Based on the information available, super typhoon Mangkhut weakened into a severe typhoon in the morning of September 16, 2018, and made landfall in the coastal areas of Taishan in Guangdong at around 5pm that day. According to the information from the Mainland, when Mangkhut arrived in Guangdong, the DBNPS was the most impacted among the nuclear power stations in the Province, with the maximum wind speed reaching 41.75 metres/second, or about 150 kilometres/hour. Based on the information published by the Mainland marine authorities, before and after the landfall of Mangkhut, maximum heights of the storm surge recorded by monitoring points in Mainland waters near the various nuclear power stations ranged from 1 to 3 metres. This maximum height of the storm surge caused by Mangkhut was much lower than the plants' design basis – as an example, the DBNPS is situated at about 6.5 to 7 metres above sea level, and the height of its breakwater is some 13.8 to 14 metres – hence the storm surge caused by Mangkhut posed any impact on the safety of the stations. Despite serious damage caused to many places by its strong wind and storm surge, Mangkhut did not affect the safety of the nuclear power stations in Guangdong.

(2) Before and after the onslaught of Mangkhut in Guangdong, the HKSAR Government maintained close liaison with relevant Guangdong authorities and nuclear power enterprises in respect of the typhoon protection contingency arrangements of nuclear power stations in the Province, so to understand their safety condition. According to our understanding, to tackle the attack of Mangkhut, the GDNECO advanced its typhoon protection contingency preparations a few days ahead of Mangkhut's arrival, including the inspection and implementation of nuclear contingency plans and stocking up of emergency supplies; test-run and protection of the nuclear emergency command system; requesting power stations to strengthen their backup power supply and circuit protection; further enhancement of information exchange and operational liaison among fellow nuclear emergency response units (on meteorology, power supply and communication) and nuclear power stations. All nuclear power stations also carried out inspections on various typhoon protection preparations and measures, as well as communication, logistics support and protection of emergency supplies in anticipation of the super typhoon. GDNECO also notified the HKSAR Government of its activation of contingency procedures for nuclear emergencies. The Mainland authorities and the China General Nuclear Power Group (which manages the nuclear power stations in Guangdong) disseminated to the public information about the typhoon protection preparations, contingency measures and safety condition of the four nuclear power stations in the Province before and after the landfall of

the typhoon through various media (including television and radio broadcast, newspapers, webpages, WeChat, Weibo, etc.). During the typhoon, the Department of Ecology and Environment of Guangdong Province strengthened the protection of emergency radiation monitoring to ensure effective capture of information on the ambient gamma dose-rate and meteorology data throughout the period of the storm. The Guangdong Power Grid Company closely monitored the safety of the nuclear power grid to ensure that the electricity transmission paths of the nuclear power stations stayed intact during the typhoon. All the power stations also conducted 24-hour monitoring of the movement of Mangkhut and the effectiveness of their typhoon protection measures. After the passage of the typhoon, the 11 nuclear-generating units in the Province remained in safe condition.

(3) The HKSAR Government attaches importance to the safety of nuclear power stations across the border. The operations of various nuclear power stations mentioned in the question (including their contingency arrangements) are strictly governed by relevant legislations of the Mainland. The DBCP and the notification mechanism set out in paragraphs two and three above are applicable to safety incidents at the DBNPS and other nuclear power stations, including those caused by natural disasters. In the case of the attack by Mangkhut on this occasion, the HKSAR Government had, in accordance with the established notification mechanism, contacted the Guangdong authorities to obtain information on the relevant contingency arrangements. Therefore, there is no need to make a separate provision in the Contingency Plan for Natural Disasters. We will continue to maintain in communication with the relevant Mainland authorities under the existing notification mechanism in respect of contingency issues of the nuclear power stations, so to ensure that, where the situation requires, the Government could implement appropriate measures and disseminate necessary information to the public.

Thank you, president.

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## **LCQ5: Visit of Inter-departmental Counter-terrorism Unit**

Following is a question by the Hon Alvin Yeung and a reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (January 9):

Question:

It has been reported that some human rights organisations have alleged that the Chinese Government has set up "re-education camps" in Xinjiang for detaining about a million people from the ethnic minorities, the majority of whom are ethnic Uighurs believing in Islam. A number of ethnic Uighurs

alleged that their family members, relatives and friends had lost contact with them after being taken away by public security officials for no reason. Also, some people who had been detained in such camps alleged that they had been psychologically abused and even tortured there. However, the Chinese Government has stated that the camps concerned are vocational skills training institutes established with the aim of eliminating extremism from the root and preventing the emergence of terrorism. On the other hand, there are reports that the Under Secretary for Security led a delegation to Xinjiang last month to exchange views with local officials on the work on preventing terrorist activities. Regarding the visits conducted outside Hong Kong in relation to the work on preventing terrorist activities, will the Government inform this Council:

(1) of the details of the aforesaid visit, including the time and location of each event on the itinerary; whether the delegation visited the "re-education camps"; if so, of the details;

(2) of the names and post titles of the officials who proposed, arranged and participated in the visit, and set out such information by whether they work under the Government of the Hong Kong SAR or the Mainland authorities; and

(3) of the number of visits conducted outside Hong Kong by government officials in the past five years in relation to the work on preventing terrorist activities, as well as the destination and date of each visit?

Reply:

President,

The Hong Kong Special Administrative Region (HKSAR) Government attaches great importance to the combat and prevention of terrorist activities, and has been assessing the threat level of Hong Kong being subject to terrorist attack. Currently, the threat level is assessed to be "moderate", indicating that there is a possibility of attack but there is no specific intelligence suggesting that Hong Kong is likely to be a target. That said, as terrorist activities around the globe and their trend have been changing and diversified modus operandi have evolved, the HKSAR Government must stay on full alert to guard against any unexpected challenges.

HKSAR's counter-terrorism (CT) strategy are four-pronged, i.e. vigilant "prevention", adequate "preparation", prompt "response" and speedy "recovery". Under the strategy, law enforcement agencies (LEAs) strive to prevent terrorist activities in Hong Kong under an intelligence-led approach, and ensure preparedness at all times among response and emergency services, supporting personnel and other relevant parties via repeated drills and training. All departments have in place various contingency plans, which are subject to continuous review and improvement, for enhancing their capability to deal with any possible terrorist incidents.

To further strengthen Hong Kong's CT capability and preparedness, the Government set up the Inter-departmental Counter-terrorism Unit (ICTU) in

April 2018, comprising members from six LEAs, namely the Hong Kong Police Force (HKPF), Immigration Department (ImmD), Customs and Excise Department (C&ED), Correctional Services Department (CSD), Fire Services Department (FSD) and Government Flying Service (GFS). ICTU is tasked with monitoring the global terrorism trend and CT measures, reviewing and improving the CT strategy in Hong Kong, developing specialised CT training, optimising various contingency plans, etc. Serving as an inter-departmental CT platform on top of the original CT framework, ICTU not only fosters closer liaison and smoother collaboration among relevant departments, but also synergises CT intelligence, training, emergency response education and other related efforts, with a view to enhancing Hong Kong's overall CT deployment and preparedness.

Instead of a local challenge of any single region, CT efforts hinge on cross-boundary and international collaboration. Therefore, the HKSAR Government has been arranging representatives to visit other places from time to time to know about their practices and experience through in-depth exchange with the respective government authorities and officials. The observations from these visits serve as reference or lessons for the HKSAR Government in formulating CT policies, such as strengthening various CT measures, enhancing capability and preparedness of officers concerned, etc.

Hon Alvin Yeung has raised three questions about the visit to Xinjiang by a delegation led by the Under Secretary for Security in December 2018 for exchange with local authorities regarding efforts on preventing terrorist activities. My reply is as follows.

(1) and (2) A nine-member HKSARG delegation visited Xinjiang on December 6 to 10, 2018, with the Under Secretary for Security as the leader and one Assistant Secretary for Security and seven ICTU representatives (including one Senior Superintendent and one Senior Inspector from HKPF, one Senior Pilot from GFS, one Divisional Officer from FSD, one Principal Officer from CSD, one Assistant Superintendent from C&ED and one Chief Immigration Officer from ImmD) as members.

The trip was the first visit of ICTU outside Hong Kong, with the aim of study, exchange and understanding. Xinjiang was selected because a number of terrorist attacks took place there but the situation was brought under control and improved in recent years. ICTU was of the view that Xinjiang's CT experience could be of reference to Hong Kong in formulating and optimising our CT strategy and capability.

During the study trip in Xinjiang, ICTU visited a number of local CT units and police facilities, CT tactical training centre, security checkpoints at tourist attractions, border control points, public convenience management centres, district police stations and the police training school; and attended seminars and exchanged views with local officials. The itinerary did not include the "vocational skills training institutes" as mentioned in the question.

(3) From time to time, major LEAs on CT (including HKPF) in the Government

have maintained exchange with counterparts outside Hong Kong on prevention of terrorist activities and law enforcement, and enhancing officers' knowledge and skills on the operational level via mutual visits. During every visit, departmental representatives will, apart from understanding the practices and experience of other places, introduce Hong Kong's latest development and work in various areas, with a view to expanding and enhancing liaison and co-operation between Hong Kong and other places in different related fields. As the itinerary of each visit covers different subjects and content, we have not kept statistics on individual subjects and therefore do not have the information as requested in part (3) of the question. In addition to the Mainland, some destinations of previous visits outside Hong Kong involving CT include the United Kingdom, the United States, Australia, Germany and Indonesia, etc.

President, relevant departments have to make reference to the experience and latest development of other places in order to effectively support our disciplined services in their multi-faceted law enforcement on CT and different related aspects. For example, the Police have in recent years vigorously strengthened training of frontline officers on Immediate Tactical Intervention to ensure that those arriving earliest at the scene are capable of making swift responses to provide members of the public with immediate care for the sake of their safety; ImmD and C&ED have been closely monitoring the latest intelligence in various places and have implemented immigration and import/export control under a professional and risk-based approach to intercept persons and cargoes suspected of involving terrorist activities; and CSD has stepped up efforts of CT work in penal institutions having regard to experience in other places.

Besides, taking account of and in response to the latest trends in terrorist attacks worldwide, LEAs have been examining the procurement of suitable equipment, such as the Police's modular vehicle barrier and radiological detector as well as C&ED's ion scanner and portable spectroscopic equipment, so as to enhance the tactics or upgrade the equipment commonly employed for preventing and detecting terrorist attacks.

As always, the HKSAR Government endeavours to maintain Hong Kong as one of the safest cities in the world. We will stay vigilant for proactive prevention and keep enhancing Hong Kong's CT capability and preparedness to ensure a long-term safe environment in our city. ICTU will actively monitor measures adopted by other regions which are exposed to higher risks, while paying close attention and making reference to the latest advice or guidance and news released by different international organisations, with a view to continuously enhancing Hong Kong's CT capability.

Thank you, President.

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## Missing girl in Tseung Kwan O located

A girl who went missing in Tseung Kwan O has been located.

Yao Tsz-yan, aged 13, went missing after she left her residence in Tong Ming Street on January 3 afternoon. Her family made a report to Police on the next day (January 4).

The girl was located in Wai Yip Street, Ngau Tau Kok yesterday (January 8).

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## LCQ22: Handling of unauthorised signboards

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (January 9):

Since September 2, 2013, the Buildings Department (BD) has implemented a voluntary Validation Scheme for Unauthorised Signboards (Validation Scheme) to provide an additional option for signboard owners apart from removing their unauthorised signboards and re-erecting legal ones under the Minor Works Control System (MWCS). In addition, BD has launched large scale operations (LSOs) each year since 2014 on one or more street sections against dangerous signboards and unauthorised signboards not joining the Validation Scheme. The relevant work includes investigation, issuing Dangerous Structure Removal Notices (DSRNs), instituting prosecutions or engaging contractors to carry out removal or rectification works on behalf of the owners (default works). On the other hand, it was pointed out in Report No. 71 of the Director of Audit (the Audit Report) published in November last year that there had been a number of inadequacies in BD's management of signboards. In this connection, will the Government inform this Council:

(1) of the number of signboards validated under the Validation Scheme in each of the past five years (set out in a table); whether it has reviewed if the relevant figures are on the low side;

(2) as the Audit Report revealed that BD conducted LSOs from 2015 to 2017 on a total of 20 street sections but none of them had been completed as at April last year, of the detailed addresses of those street sections and the latest implementation status of LSOs, including the number of removal orders issued, the respective numbers of removal orders which have been and have not been complied with, the number of cases of default works carried out, and the



number of prosecutions instituted by BD (set out in a table); the follow-up work carried out by BD in respect of those street sections and whether new LSOs will be conducted;

(3) given that BD issued 507 removal orders in the LSOs in 2017 but only 89 (i.e. 17%) of them had been complied with as at April last year, whether BD knows the reasons for the non-compliance of the removal orders;

(4) given that BD issued 133 DSRNs in the LSOs in 2017 and the target date by which BD should carry out default works for the non-compliant cases among the DSRNs was January 2018, but as at April last year, BD had not yet carried out default works for 98 (i.e. 74%) non-compliant DSRNs among those issued, of the reasons for the slippage, as well as the plans in place to expedite the works;

(5) given that BD took law enforcement actions against 106 large unauthorised signboards in 2017, and revised the target number of such signboards against which law enforcement actions were to be taken in 2018 to 170 and set time targets (i.e. requiring that removal orders issued be cleared and discharged within two and three years respectively from the conduct of LSOs), of BD's measures to ensure that the time targets can be met;

(6) of the number of write-off cases in each of the past four years due to BD's failure to recover the costs of default works from signboard owners, and the total amount involved;

(7) as the Audit Report recommended that BD should compile and analyse management information with a view to monitoring the operation and effectiveness of MWCS in relation to signboards, when BD will implement recommendation; and

(8) whether BD will recruit additional manpower to implement the recommendations of the Audit Report; if so, of the timetable of the recruitment exercise, as well as the number and duties of the additional staff?

Reply:

President,

The Government has all along attached great importance to signboard safety. At present, any signboards erected without obtaining the approval and consent of the Buildings Department (BD) or following the requirements under the Minor Works Control System (MWCS) are unauthorised building works (except for designated exempted works (DEW) (Note 1)). The BD may issue removal orders to signboard owners or persons concerned in accordance with section 24 of the Buildings Ordinance (Cap. 123) (BO). Regarding abandoned and dangerous signboards, BD may issue Dangerous Structure Removal Notices (DSRN) to the owners in accordance with section 105(1) of the Public Health and Municipal Services Ordinance (Cap. 132), requiring removal of the signboards concerned.

Considering that most existing signboards are in active use by business operators and that their existence carries considerable value for sustaining local commercial activities and contributing to Hong Kong's prosperity, the BD has implemented the Signboard Validation Scheme (SVS) since September 2, 2013, allowing the continued use of signboards that are relatively small in scale, pose less potential risk and are already erected before the date SVS came into effect that meet the prescribed technical specifications for minor works, on the condition that they have undergone safety inspection, strengthening (if necessary), and certification by prescribed building professionals and/or prescribed registered contractors. Such signboards are required to undergo safety inspection and certification every five years thereafter.

Based on a "risk-based" principle, the BD is adopting a multi-pronged approach to deal with unauthorised, dangerous and abandoned signboards. The department carries out surveys proactively, implements SVS on an ongoing basis, and carries out two large scale operations (LSO) as follows:

(a) select target street sections to remove unauthorised, dangerous and abandoned signboards in a comprehensive manner (LSO on Target Streets). When carrying out such LSO, removal orders are issued against unauthorised signboards which have not been validated under SVS to urge their owners to join SVS as soon as possible. Removal orders or DSRNs are also issued against unauthorised signboards that are large in scale and are ineligible for validation to minimise the potential safety risk to the public; and

(b) conduct LSO against large unauthorised signboards (Note 2) that pose a relatively higher risk to the public (LSO on Large Unauthorised Signboards).

Other than the LSOs, the BD will take immediate enforcement action against signboards constituting obvious hazard to life or property and give priority to enforce against unauthorised signboards under construction or are newly erected.

Chapter 4 of the Report No. 71 of the Director of Audit (the Audit Report) issued on November 28, 2018 concerns management of signboards by the BD. The Government accepts the recommendations made by the report on the overall management of signboards. The BD will take measures to promptly implement the recommendations as far as practicable.

In consultation with the BD, the Development Bureau provides a consolidated reply as follows:

(1) The number of validated signboards under SVS in the past five years are tabulated below:

Year	Number of validated signboards
2014	32

2015	86
2016	96
2017	45
2018	30

The BD noted that since the implementation of MWCS (i.e. after December 31, 2010) until the implementation of SVS (i.e. on or before September 1, 2013), there were 94 cases of minor works associated with signboards on average per month. From September 2, 2013 to late 2018, the number of such cases had substantially increased to 455 cases on average per month, representing an increase of 384 per cent. This shows that quite a number of signboard owners would choose to remove the old signboards and re-erect a new compliant signboard in accordance with MWCS due to various reasons (e.g. their unauthorised signboards were erected after September 2, 2013 and hence are ineligible to join SVS).

While quite a number of signboard owners choose to remove and re-erect signboards under MWCS, the BD considers that the SVS is providing an alternative for owners of small signboards. In fact, the statistics shows that some owners of small signboards have applied through SVS for continual use of their existing signboards due to cost and business considerations.

(2) Since 2014, the BD has been carrying out LSO on Target Streets in target street sections in various districts in Hong Kong to issue removal orders against unauthorised signboards which had not been validated under SVS or were ineligible for validation, as well as DSRNs against abandoned or dangerous signboards.

The locations of the 20 target street sections covered by the LSO on Target Streets from 2015 to 2017 and the progress of enforcement actions (as at January 3, 2019) are listed in Annex.

The BD will continue to select target street sections within the territory for the LSO on Target Streets every year to remove unauthorised, abandoned or dangerous signboards.

(3) Since unauthorised signboards are in active use by business operators, upon receipt of the removal orders issued by the BD, the business operators generally need time to prepare and arrange for the removal and re-erection of signboards or to join SVS in compliance with the requirements under the B0. The BD will consider and handle the cases on its individual circumstances. The BD will continue to monitor the status of compliance of the removal orders issued under the 2017 LSO on Target Streets, request the concerned signboard owners to take timely follow-up actions, and will prosecute uncooperative owners to enhance the deterrent effect.

(4) As the BD has responded to the Audit Report, the BD has accorded priority in carrying out default works to deal with non-compliant DSRNs. By end 2018, all signboards involved in the 133 DSRNs issued under the 2017 LSO on Target Streets have been removed.

(5) The BD has issued a total of 173 removal orders according to the pre-set target in its 2018 LSO on Large Unauthorised Signboards. The BD's Progress Monitoring Committee will closely and systematically monitor the enforcement progress of these removal orders to ensure the enforcement actions will be completed within the time targets.

(6) The number of written-off cases in which the BD was unable to recover the costs of default works from signboard owners in the last four financial years with the respective sum of money involved are tabulated as follows:

<b>Financial year</b>	<b>No. of written-off cases due to unsuccessful recovery of costs of default works from signboard owners</b>	<b>The sum of written off due to unsuccessful recovery of costs of default works from signboard owners (HK\$)</b>
2014-15	0	0
2015-16	1	37,912.30
2016-17	0	0
2017-18	1	29,860.60

(7) The revamped Minor Works Management System (MWMS) is anticipated to launch in 2020 to compile more management information for monitoring the operation and effectiveness of MWCS (including the submissions for erection/alteration of signboards under MWCS). The following interim measures are being pursued pending the launch of the revamped MWMS:

(a) written instructions on handling cases of withdrawn submissions were issued;

(b) the existing MWMS to record audit cases with serious irregularities will be enhanced by early 2019;

(c) the standard record sheet of audit check result to improve the clarity of the audit records by differentiating cases requiring follow-up actions from rectified cases will be revised; and

(d) the database on Prescribed Building Professionals and Prescribed Registered Contractors served with warning letters under MWCS will be enhanced to identify repeated offenders.

(8) At present, BD's Signboard Control Unit (SCU) under the Minor Works and Signboard Control Section is responsible for identifying and taking enforcement actions against dangerous or unauthorised signboards, administering SVS, and checking minor works submissions relating to signboards. In late 2018, SCU has 42 professional and technical staff.

We will continue to closely monitor the safety hazards arising from signboards and keep in view the manpower available to handle the management of signboards. We will bid for additional manpower or resources in accordance with the existing mechanism to strengthen the management of signboards when necessary.

Note 1: Examples of such type of DEW include erection of a wall signboard fixed to the external wall of a building with display area of not more than 1 square metre, not comprising any display system consisting of light emitting diodes, projecting not more than 150 mm from the wall, and with a distance of not more than 3 m from the ground.

Note 2: Large unauthorised signboards covered signboards falling within the following criteria:

- (a) Wall signboards with a display area exceeding 20 sq m;
- (b) Projecting signboards with a display area exceeding 10 sq m, projecting more than 4.2 m from the external wall or more than one traffic lane or the location of which may cause obstruction to vehicular traffic; and
- (c) Shopfront signboards of a volume exceeding 8 cubic metres or the projection exceeding 1 m.

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## **LCQ6: Combating money laundering and terrorist financing activities**

Following is a question by the Hon Holden Chow and a reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (January 9):

Question:

The Government has stated that it has all along been striving to combat money laundering and terrorist financing activities in accordance with relevant international standards, in order to maintain Hong Kong's status as an international financial centre. In this connection, will the Government inform this Council:

(1) of the number of reports about suspicious transactions involving money laundering or terrorist financing activities received by the Joint Financial Intelligence Unit, and the number of such cases it referred to other units for investigation, as well as the respective numbers of relevant prosecutions and convictions, in each of the past five years;

(2) whether it has assessed the aggregate value of property relating to money laundering and terrorist financing activities carried out in Hong Kong, as well as the aggregate value of such property confiscated, in each of the past five years; of the measures put in place to ensure that all such property can be confiscated; and

(3) given the diversified means for money laundering and terrorist financing, how the Government will step up its training for the law enforcement officers to enhance their ability to combat such activities?

Reply:

President,

As an international financial centre with a highly externally-oriented economy, Hong Kong is not immune from the threats of money laundering (ML) and terrorist financing (TF). We should stay vigilant against those threats.

Hong Kong is committed to combating ML and TF together with the international community. Hong Kong has become a member of the Financial Action Task Force (FATF) since 1991. Over the years, we have put in place a robust anti-money laundering and counter-financing of terrorism (AML/CFT) regime having regard to international standards set by the FATF. To stay ahead of the curve, we put the AML/CFT regime under continuous review to ensure that it can live up to challenges posed by the fast-changing financial market and security landscapes.

Over the past few years, the Government has adopted various measures to strengthen the AML/CFT regime so as to ensure that our system is keeping with international standards. To identify and assess ML/TF threats facing Hong Kong, we have conducted a territory-wide risk assessment to examine the ML/TF threats and vulnerabilities confronting financial businesses, designated non-financial businesses and professions, and the city as a whole. The risk assessment report was published in April 2018 and will be updated from time to time. Informed by the risk assessment, over the past year, we have taken forward various enhancement measures. These include updating the legal and regulatory framework, reinforcing the adoption of a risk-based approach in preventive and supervisory measures, stepping up efforts to restrain and confiscate crime proceeds, and strengthening international co-operation. In respect of updating the legal framework, to mitigate the identified risks, the Government implemented four new ordinances last year, including (i) the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Ordinance 2018, (ii) the Companies (Amendment) Ordinance 2018, (iii) the United Nations (Anti-Terrorism Measures) (Amendment) Ordinance 2018 and (iv) the Cross-boundary Movement of Physical Currency and Bearer Negotiable Instruments Ordinance.

On the questions raised by Hon Chow, my response is as follows:

(1) It is stipulated in the Organised and Serious Crimes Ordinance (OSCO), the Drug Trafficking (Recovery of Proceeds) Ordinance (DTRP) and the United Nations (Anti-Terrorism Measures) Ordinance that any person who knows or suspects that any property represents proceeds of an indictable offence or drug trafficking, or is terrorist property, must report his/her knowledge or suspicion to the Joint Financial Intelligence Unit (JFIU) as soon as is reasonable or practicable. From 2013 to 2017, the JFIU received more than 280,000 suspicious transaction reports (STRs). About 44,000 of them were referred to other law enforcement agencies (LEAs) or regulatory authorities for follow-up, whereas the remaining 238,000 STRs were archived due to the lack of sufficient grounds for further action. During the same period, 828

persons were prosecuted for ML offences and 620 persons were convicted.

(2) Under Section 14 of the OSCO, where proceedings have been instituted against the defendant for a specified offence, the prosecution can make an application to the Court of First Instance for restraint of the realisable property (assets and funds) of the defendant so as to prohibit any persons from dealing with the property. Upon conviction, the Court of First Instance may assess the value of proceeds gained from relevant offences by the defendant according to Section 9 of the OSCO and make a confiscation order against the defendant to recover the relevant monies pursuant to Section 8 of the OSCO. The DTRDP also has similar provisions pertaining to drug trafficking offences. From 2013 to 2017, proceeds confiscated under confiscation orders amounted to over \$1.6 billion.

LEAs will continue to strengthen ML and TF risk assessment so as to understand the latest typologies, step up investigation and prosecution of ML/TF activities through exchange of financial intelligence and inter-agency co-operation, and foster closer co-operation with overseas institutions, with a view to combating ML syndicates and recovering proceeds dissipated from Hong Kong.

(3) LEAs are committed to building the investigative capability and related knowledge of investigators of all ranks (including officers of the JFIU) through regular training. LEAs also maintain close co-operation with each other and overseas enforcement agencies and financial institutions in an effort to jointly combat ML offences. Apart from providing regular financial investigative training to investigators, LEAs also send officers to attend conferences convened by international organisations on an ongoing basis, so as to enhance their understanding of the latest international security landscape and facilitate exchanges with overseas enforcement agencies on investigative experience and knowledge.

Thank you, President.