

Hong Kong Customs detects case of precious metals and stones dealer carrying out specified transactions without registration

Hong Kong Customs yesterday (November 5) detected a case involving a local company that conducted multiple transactions of diamonds, with each transaction valued at over HK\$120,000, without registration under the Dealers in Precious Metals and Stones Regulatory Regime. The total amount of transactions involved in the case was equivalent to over HK\$90 million, marking the largest such case handled by Customs. The investigation is ongoing.

According to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), the Regime came into effect on April 1, 2023. Any person who is seeking to carry on a business of dealing in precious metals and stones in Hong Kong and engage in any transaction(s) (whether making or receiving a payment) with a total value at or above HK\$120,000 in Hong Kong is required to register with the Commissioner of Customs and Excise. Any dealer, other than a registrant, who claims to be a registrant, claims to be authorised to carry out, or carries out any cash or non-cash transaction(s) with a total value at or above HK\$120,000 is liable to a maximum fine of HK\$100,000 and imprisonment for six months upon conviction.

Hong Kong Customs reminds all dealers that the transitional period for registration under the Regime has ended. Any dealers in precious metals and stones must obtain the relevant registration before they can carry out any cash or non-cash transaction(s) with a total value at or above HK\$120,000.

For the forms, procedures and guidelines to submit applications for registration, please visit the website for Dealers in Precious Metals and Stones Registration System (www.drs.customs.gov.hk) or Hong Kong Customs' webpage (www.customs.gov.hk/en/service-enforcement-information/anti-money-laundering/supervision-of-dealers-in-precious-metals-and-ston/index.html).

Members of the public may report any suspected transactions involving precious metals and stones with a total value at or above HK\$120,000 conducted without the required registration to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).

LCQ8: Developing the cross-boundary e-commerce industry

Following is a question by the Hon Lam So-wai and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (November 6):

Question:

In the 2024 Policy Address, it is proposed that in order to develop Hong Kong into a cross-boundary e-commerce logistics and distribution centre, the Government will review existing procedures to enhance the efficiency of cross-boundary goods' distribution, strengthening the competitiveness of Hong Kong. There are views that as a "super connector", Hong Kong possesses advanced cross-boundary e-commerce infrastructure and development potential, and promoting the development of the cross-boundary e-commerce industry is also conducive to consolidating Hong Kong's position as an international trade and maritime centre. The Government needs to sustain long-term strategic policies to better utilise public resources and the potential of the industry to boost the growth of the cross-boundary e-commerce industry. In this connection, will the Government inform this Council:

(1) whether it will establish a data sharing platform for the cross-boundary e-commerce industry in Hong Kong, so that various parties such as airline companies, freight forwarding and logistics companies and trucking suppliers may complete the process of data exchange more securely and expeditiously through the platform along with the use of blockchain technology, thereby catering to the needs of cross-boundary e-commerce development; if so, of the details; if not, the reasons for that;

(2) whether it has conducted systematic surveys and studies on the development of Hong Kong's cross-boundary e-commerce industry, including compiling statistics and studying the annual import and export volume of cross-boundary e-commerce, the operation of logistics companies and the degree of intelligence of the supply chain, as well as evaluating the effectiveness of the "Hong Kong Shopping Festivals" organised on Mainland e-commerce platforms in August this year, so as to formulate a more focused policy for the cross-boundary e-commerce industry; if so, of the details; if not, the reasons for that; and

(3) whether it has plans and specific measures to foster the efficient interface of the flows of goods, information and capital of the cross-boundary e-commerce industry, thereby developing Hong Kong into a cross-boundary e-commerce supply chain hub in the Asia-Pacific region; if so, of the details; if not, the reasons for that?

Reply:

President,

The Chief Executive announced in the 2024 Policy Address that the Government will review existing procedures to enhance the efficiency of cross-border goods' distribution within 2025 with a view to developing Hong Kong into a cross-border electronic commerce (e-commerce) logistics and distribution centre. This initiative will tie in with various support measures of the Government for assisting small and medium enterprises (SMEs) in developing the Mainland and the Association of Southeast Asian Nations (ASEAN) e-commerce markets and promoting Hong Kong brands, thereby encouraging more enterprises to actively grasp the opportunities of e-commerce.

Having consulted the Transport and Logistics Bureau, the reply to the three parts of the question is as follows:

(1) Currently, there are different logistics data platforms set up in the local logistics industry. On the air cargo front, to push forward the digitalisation of air cargo transport and enhance operational efficiency and cargo supply chain transparency, the Airport Authority Hong Kong has developed the HKIA Cargo Data Platform to facilitate the exchange of logistics data from and by various stakeholders in the air cargo sector (such as freight forwarders, warehouse operators, truckers, terminal operators). On the maritime front, the Government is also developing a port community system equipped with functions such as shipment tracking, real-time transport information, electronic information and document retrieval, and port data analysis, with a view to enabling the flow and sharing of data among stakeholders in the maritime, port and logistics industries.

(2) Government bureaux and departments maintain liaison with various industrial and trade organisations to understand the situations and development needs of the relevant sectors, with a view to formulating appropriate policies and support measures. Apart from exchanging views with major chambers of commerce in Hong Kong from time to time, the Commerce and Economic Development Bureau (CEDB) also taps the trades' views through the Trade and Industry Advisory Board and the Small and Medium Enterprises Committee set up under the CEDB. In January 2024, the CEDB established the inter-departmental E-commerce Development Task Force (Task Force) to co-ordinate and formulate policies on promoting enterprises to grasp the opportunities brought about by e-commerce. An expert group, which comprises Legislative Council Members from different sectors and representatives in the industry, has also been established under the Task Force to help keep the Government abreast of the market situation of e-commerce development and feedback from the trade more comprehensively.

In addition, the Hong Kong Trade Development Council (HKTDC) has been publishing research reports on and analyses of e-commerce ecosystems in different markets, including market prospects, consumption habits, development trends, business strategy of various platforms and the latest policy developments, to provide information for enterprises to develop e-commerce business. The Government has not separately compiled any statistics

or studied the operations of the logistics companies and distribution of goods from the perspective of cross-border e-commerce. We will review in due course if there is a need to conduct more research and analysis on cross-border e-commerce development.

The inaugural Hong Kong Shopping Festival (HKSF) featured more than 230 brands and showcased over 500 types of great value products in six major categories, namely apparel and accessories, personal care and cosmetics, home and living, food and beverage, smart gadgets and health supplements, covering consumers' various needs. The event concluded successfully in August 2024 and was well-received, with total impressions exceeding 90 million on e-commerce discussion forums and the HKSF's website. The HKTDC has conducted a survey to collect feedback from participating enterprises and is analysing the findings. The HKTDC will build on this year's experience, optimise event arrangements and continue to organise the HKSF in the next two years, thereby continuing to help Hong Kong enterprises gain practical experience and explore business opportunities through e-commerce and social e-commerce platforms.

(3) Under "one country, two systems", Hong Kong leverages the advantages of the free market and provides enterprises with a free and open business environment, with free flow of capital and information. According to the Economic Freedom of the World 2024 Annual Report published by the Fraser Institute in October this year, Hong Kong ranks as the world's freest economy among 165 economies.

Regarding information flow, as at July this year, household broadband penetration rate has reached nearly 97 per cent, with the number of registered subscriptions with broadband access estimated to be about three million. In view of the increasing demand for cross-boundary services and data flow between Hong Kong and the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), the Government has signed the Memorandum of Understanding on Facilitating Cross-boundary Data Flow within the Guangdong-Hong Kong-Macao Greater Bay Area with the Mainland, with a view to promoting more cross-boundary services to benefit the public and businesses while facilitating data flow throughout the GBA.

Regarding capital flow, Hong Kong is one of the top three international financial centres. The Government will continue to enhance the mutual market access regime and reinforce Hong Kong's status as the world's largest offshore Renminbi business hub. We are also pushing forward the linkage of fast payment systems in Hong Kong and the Mainland, thereby facilitating real-time, cross-boundary small-value payments by residents on both sides.

Having regard to the rapid growth of global e-commerce business, the Government will continue to implement different measures, with a view to fostering the development of cross-border e-commerce in Hong Kong, including:

(i) Hongkong Post (HKP) is now redeveloping its Air Mail Centre (AMC) located at the Hong Kong International Airport. The redeveloped AMC, planned for commissioning by the end of 2027, will strengthen the HKP's capability to

handle cross-border e-commerce goods;

(ii) The Customs and Excise Department will continue to implement various cargo trade facilitation initiatives (including the Hong Kong Authorized Economic Operator Programme, Single E-lock Scheme, Free Trade Agreement Transshipment Facilitation Scheme and Cross-boundary Express Cargo Clearance Facilitation Arrangement), streamline customs clearance process and expedite cargo flow;

(iii) The Government launched "E-commerce Easy" under the Dedicated Fund on Branding, Upgrading and Domestic Sales in July 2024 to encourage enterprises to implement e-commerce projects on the Mainland. The expansion of the geographical coverage of "E-commerce Easy" to the 10 countries of ASEAN as announced in the 2024 Policy Address will help SMEs grasp the enormous business opportunities brought about by the rapid development of the ASEAN market; and

(iv) The Support and Consultation Centre for SMEs under the Trade and Industry Department will continue to take lead and co-operate with the other three SME centres (i.e. the "SME Centre" under the HKTDC, the "SME One" under the Hong Kong Productivity Council (HKPC), and the "TecONE" under the Hong Kong Science and Technology Parks Corporation) to strengthen the provision of information to SMEs on conducting e-commerce. "SME ReachOut", set up under HKPC, will provide information related to e-commerce to SMEs through exchanges with SMEs and seminars.

Government bureaux and departments will continue to assist Hong Kong enterprises in developing cross-border e-commerce business through different channels.

LCQ4: Tree management

Following is a question by the Hon Lam San-keung and a reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (November 6):

Question:

At present, the nine core tree management departments of the Government maintain trees within their respective facilities and boundaries in accordance with the relevant requirements and guidelines, while the Tree Management Office (TMO) co-ordinates the tree management work of various government departments in an integrated approach. In this connection, will the Government inform this Council:

(1) whether there is mechanism requiring government departments to notify TMO

or the government departments concerned to carry out maintenance work when they discover potential risks posed by trees not under their purview, so as to prevent the trees from posing risks to members of the public; if so, of the details; if not, the reasons for that;

(2) apart from calling the one-stop service hotline 1823, whether there are other channels for public transport operators to seek assistance when they find trees posing danger to vehicles on the road or blocking road signs; if so, of the details; if not, the reasons for that; and

(3) after members of the public lodge complaints about trees with potential risks by calling 1823, how long will it take for the Government to ascertain which department is responsible for maintaining the trees in question, and how long will it take for the department concerned to deal with the trees in question; whether the Government has set clear service indicators in this regard, and of the collaborative mechanisms among various government departments?

Reply:

President,

There are a vast number of trees across the territory of Hong Kong. The Government adopts an "integrated approach" for managing trees on government land, under which the department responsible for maintaining a government facility or site takes care of the trees within the area. The Tree Management Office (TMO) of the Development Bureau (DEVB) formulates overall tree management strategies and measures, and co-ordinates and oversees the tree maintenance efforts of government departments at the central level.

Regarding each part of the question raised by the Hon Lam, my reply is as below:

(1) The tree management departments are responsible for the maintenance of trees located on their facilities or land. If a department considers that a tree requiring attention falls outside its jurisdiction, it will refer the matter to the appropriate department for handling, or make a referral through the TMO of the DEVB to ensure that the tree in question is properly addressed. Moreover, the DEVB conducts regular co-ordination and working meetings with departments to oversee and steer the implementation of tree management initiatives. During these meetings, departments engage in practical exchanges, clarify the division of responsibilities among them, and share the challenges they have encountered in tree maintenance, while learning from the valuable experiences of one another to enhance the effectiveness of tree management.

(2) In daily tree maintenance work, the tree management departments regularly inspect trees along public roads under their jurisdictions. If branches are found extending onto the roadway, obstructing vehicle passage, hindering driver visibility, affecting traffic lights or signs, or posing a potential risk to vehicles, the departments will promptly arrange for the necessary

pruning or removal of the trees to ensure the safety of road users.

The TMO and core tree management departments have established a regular communication mechanism with key public transport agencies. The public transport operators can also report tree issues to the Government through the 1823 hotline. For example, bus companies will inform the tree management departments on the locations of problematic trees. The departments may conduct joint inspections with the bus companies as needed, and implement the necessary tree maintenance measures.

In addition, the TMO and tree management departments hold regular liaison meetings with the MTR Corporation Limited and the Peak Tramways Company Limited to exchange views on tree maintenance issues along the rail and tramway.

(3) In September 2023, the TMO of the DEVB consolidated and updated the Guidelines for Handling Tree-Related Complaints (the Guidelines), to include a series of new measures, such as updating the complaint processing mechanism, enhancing co-ordination and overseeing of departments managing tree complaints, and assisting departments in addressing backlog cases, with a view to expediting handling of tree-related complaints.

For cases that pose an imminent danger or are classified as urgent, the responsible department must take immediate action to ensure public safety. For general tree cases, the department will respond to the public enquiries within 14 working days, stating the investigation results, the relevant tree work to be undertaken, and the estimated timeline for completion. In accordance with the Guidelines, if the case involves tree removal, the department is required to complete the work within four weeks of the response, while tree pruning should be completed within eight weeks.

Upon receiving tree cases referred by the 1823 hotline, if a relevant tree management department considers that the case is outside its jurisdiction after review, the department must submit a referral to another department through the 1823 hotline within seven working days in accordance with the Guidelines, and provide supplementary information to support their viewpoint, including site inspection records, tree location, site photographs, etc. If the department fails to submit the referral request via 1823 within the specified seven-day time frame, it will be responsible for handling the complaint and responding to the complainant to avoid delays in processing the case.

When disputes arise regarding the responsibilities of tree maintenance among departments, and the responsible department cannot be confirmed by the 1823 hotline, the 1823 will escalate the case to the TMO of the DEVB for handling. The TMO will review the situation and conduct mediation, make a decision within seven working days of receiving the escalated case and notify the responsible department, which must respond to the complainant within 14 working days.

Following the promulgation of the new Guidelines until September this

year, about 99 per cent of cases were properly handled upon referral to the relevant departments, while the number of cases requiring reassignment by 1823 and adjudication of tree management responsibilities from the TMO accounted for only about 0.9 per cent and 0.1 per cent respectively, of the total complaint cases. The average handling time for general cases has significantly reduced from 60 days in 2022 to five days in 2024. We hope that these figures show that the enhanced complaint handling mechanism has a positive and significant effect.

Working Group for Enhancing Personalised Point-to-Point Transport Services under TAC convenes first meeting

The following is issued on behalf of the Transport Advisory Committee:

The Working Group for Enhancing Personalised Point-to-Point Transport Services under the Transport Advisory Committee (TAC) convened its first meeting today (November 6).

At the meeting, members were briefed on the Government's work progress on the study to enhance personalised point-to-point transport services, and discussed the role and positioning of personalised point-to-point transport services in the public transport system, including the need to take into account the principle of ensuring the efficient, reliable and long-term healthy development of the public transport system. Members were also briefed on the experiences and policy considerations in regulating online hailed car platforms in other places as a reference, including formulating laws to regulate online hailed car platform companies, and requiring that the online hailing service must be provided by taxis and other vehicles with relevant licences, etc. Members offered views on the study being conducted by the Transport Department (TD), including the survey on the overall supply and demand of personalised point-to-point transport services, which covers the relevant demand of passengers and changes.

The Working Group will continue to examine how to enhance personalised point-to-point transport services, so that taxis and other compliant vehicles can complement each other's strengths in the provision of relevant services. The Working Group will also continue to advise on the TD's study on the demand and supply, as well as listen to the views of stakeholders on the regulation of online hailed car platforms. After considering the study outcome and views of different parties, the Working Group will focus its discussion on the Government's formulation of legislative proposals on the

regulation of online hailed car platforms (including types and number of vehicles for providing compliant services, as well as licensing requirements for vehicles and drivers).

The TAC and Working Group Chairman, Professor Stephen Cheung, said, "The Working Group will continue to offer views on the Government's study to enhance personalised point-to-point transport services, with the objective to provide diverse services to the public, safeguard the interest of passengers, as well as facilitate the healthy and sustainable development of the services concerned in the long run. The Working Group will listen to the views of stakeholders, and encourages members of the public to provide precious information when being approached to take part in the survey."

Set up by the TAC in July, the Working Group comprises a number of TAC members, representatives from relevant organisations/departments, namely the Insurance Authority and the Tourism Commission, as well as representatives from the Transport and Logistics Bureau and the TD.

"M" Mark status awarded to New World Harbour Race 2024

The following is issued on behalf of the Major Sports Events Committee:

The Major Sports Events Committee (MSEC) has awarded "M" Mark status to the New World Harbour Race 2024 (November 10).

The Chairman of the MSEC, Mr Wilfred Ng, said today (November 6), "The Harbour Race, being Hong Kong's most iconic water sports event, attracts swimmers and spectators from around the world to enjoy the beautiful scenery along both sides of the Victoria Harbour while participating in or watching the race. Like other 'M' Mark events, the Harbour Race will inject new vitality into local developments while further solidifying Hong Kong's status as a capital of major sports events."

The "M" Mark System aims to encourage and help local "national sports associations" and private or non-government organisations organise more major international sports events and nurture them into sustainable undertakings. Sports events meeting the assessment criteria will be granted "M" Mark status by the MSEC. Funding support will also be provided to some events.

For details of "M" Mark events, please visit www.mevents.org.hk.