

Effectiveness and situation of first phase of territory-wide large-scale anti-illicit cigarette enforcement operation "Tempest" by Hong Kong Customs (with photo)

Hong Kong Customs mounted a territory-wide large-scale special operation codenamed "Tempest" in mid-February to step up enforcement in combating illicit cigarette activities on all fronts at each control point and all districts across the territory in Hong Kong. In the first phase of the operation (as of February 28), Customs detected a total of 560 related cases and seized about 16 million suspected illicit cigarettes, about 1 760 grams of cigars, and about 400g of manufactured tobacco products with a total estimated market value of about \$62 million and a duty potential of about \$43 million. During the operation, Customs arrested 538 persons aged between 18 and 83, and detained three vehicles suspected to be used for illicit cigarette distribution. Furthermore, Customs has collaborated with the Tobacco and Alcohol Control Office of the Department of Health to crack down on the distribution of illicit cigarette promotion leaflets in public housing estates and the sale of illicit cigarettes through telephone orders.

At the cross-boundary smuggling level, Customs has stepped up efforts to combat smuggling of tobacco products at airport, port, land boundary, rail and ferry control points, and detected a total of 17 illicit cigarette smuggling cases. Moreover, Customs imposed penalties to 481 incoming passengers on offences compoundable under the Dutiable Commodities Ordinance (imposing penalty instead of prosecution), with total penalties of \$2 million. During the operation, a total of about 90,000 suspected duty-not-paid illicit cigarettes, about 1 760 grams of suspected duty-not-paid cigars and about 400g of suspected duty-not-paid manufactured tobacco products were seized.

During the operation, Customs also detected a large-scale cigarettes smuggling case. Through risk assessment and intelligence analysis on February 22, Customs officers at the Kwai Chung Customhouse Cargo Examination Compound selected for inspection a 40-foot container, declared as carrying plastic boxes and mouse pads, arriving from United Arab Emirates to Hong Kong. Upon inspection, Customs officers found 4.2 million suspected illicit cigarettes in the container.

At the storage and distribution level, Customs also cracked down on illicit cigarette storage centres downtown. Among them, Customs shut down a large-scale mobile illicit cigarette storage centre. Customs officers identified on February 22 a cigarette smuggling syndicate active in Tuen Mun District and raided a medium goods vehicle and a 40-foot container parked in

an open-air parking lot in Tuen Mun that night. After searches, Customs officers seized about 3.2 million and 5.4 million suspected illicit cigarettes in the vehicle and container respectively, and arrested a 26-year-old man suspected to be connected with the case.

Customs has also taken strict enforcement actions against small illicit cigarette storage and distribution centres downtown. Customs cracked down on an illicit cigarette storage and distribution centre at a subdivided unit in an urban area, commonly known as a "subdivided room". Customs officers seized about 350 000 suspected illicit cigarettes from the "subdivided room" in Sham Shui Po on February 21 and arrested a 53-year-old woman suspected to be connected with the case.

At the peddling and retail level, Customs during the operation arrested a total of 30 men and five women in various districts across Hong Kong, including 25 buyers and 10 sellers. Most of the relevant cases involved buying and selling of small quantities of illicit cigarettes for personal use.

All the above-mentioned cases have been duly followed up. Customs will continue to trace the source and flow of the illicit cigarettes. The likelihood of further arrests is not ruled out.

Customs will continue to step up enforcement to vigorously combat different levels of illicit cigarette activities through risk assessment, intelligence analysis and interception at source.

Smuggling is a serious offence. Under the Import and Export Ordinance, any person found guilty of importing or exporting unmanifested cargo is liable to a maximum fine of \$2 million and imprisonment for seven years.

Customs reminds members of the public that it is an offence to buy or sell illicit cigarettes. Under the Dutiable Commodities Ordinance, anyone involved in dealing with, possession of, selling or buying illicit cigarettes commits an offence. The maximum penalty upon conviction is a fine of \$1 million and imprisonment for two years.

Under the Dutiable Commodities Ordinance, incoming passengers, who fail to declare or make a false or incomplete declaration to a Customs officer on the quantity of dutiable goods in their possession which are in excess of the duty-free concessions are liable to prosecution. In 2023, the maximum penalty imposed by the court for possession of dutiable commodities by an incoming passenger is \$20,000, and the maximum imprisonment sentence is three months.

Customs may consider imposing penalty on offences compoundable under the Dutiable Commodities Ordinance. Under the "Compounding Scheme", an offender is required to pay a penalty five times the equivalent of the duty payable on the dutiable goods concerned plus a fine of \$2,000. Under the new duty rates of tobacco, if a passenger brings an extra pack of 200 stick cigarettes which are in excess of the duty-free concessions into Hong Kong without declaring it to Customs officers, the offender is required to pay a

penalty of \$5,306 under the "Compounding Scheme"

Members of the public may report any suspected illicit cigarette activities to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).

