

Hong Kong Customs raids "cheap whites" storage centre and three sales outlets (with photos)

Hong Kong Customs yesterday (April 29) shut down a suspected storage centre for duty-not-paid cigarettes, commonly known as "cheap whites", in Lok Ma Chau and three suspected sales outlets for these cigarettes in Mei Foo, Kwai Chung and Tai Kok Tsui, seizing a total of about 1.03 million suspected duty-not-paid cigarettes with an estimated market value of about \$4.6 million and a duty potential of about \$3.4 million.

Yesterday afternoon, Customs discovered that a suspicious light goods vehicle departed from a metal shed in Lok Ma Chau and distributed suspected duty-not-paid cigarettes to a newsstand and two stores downtown. Later, Customs officers intercepted the light goods vehicle and seized about 330 000 suspected duty-not-paid cigarettes inside. A total of about 100 000 suspected "cheap whites" were also seized at the newsstand in Mei Foo, as well as the two stores in Kwai Chung and Tai Kok Tsui. Thereafter, Customs further searched the metal shed in Lok Ma Chau and seized a total of about 600 000 suspected duty-not-paid cigarettes of multiple brands therein and from a truck inside, shutting down the suspected "cheap whites" storage centre.

During the operation, Customs arrested two men and three women, aged between 33 and 60. They comprise a truck driver, a truck assistant, as well as three newsstand and store owners and employees.

An investigation is ongoing. Customs will continue to trace the source and the flow of the batch of suspected duty-not-paid cigarettes.

Customs found that illicit cigarette syndicates would disguise duty-not-paid cigarettes as duty-paid ones and lure retail merchants such as newsstands and stores with the promise of considerable profits to act as distributors or promoters of these duty-not-paid cigarettes on the market. In addition, the illicit cigarette syndicates would use remote and concealed metal huts as a cover to increase the difficulties for law enforcement by Customs.

Customs reminds all retailers, including newsstands, convenience stores and grocery stores, that if the department has reasonable suspicion that the cigarettes being sold are duty-not-paid, regardless of the quantity of cigarettes involved, decisive enforcement actions will be taken. Meanwhile, Customs appeals retailers not to sell cigarettes of unknown sources. They must ascertain whether the relevant cigarette companies or intermediaries are legal and whether the cigarettes they supply are duty-paid in order to avoid criminal liability.

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.

Retailers and 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/).

