

Hong Kong Customs tackles case of suspected false trade descriptions under civil compliance-based mechanism

The Customs and Excise Department (C&ED), after obtaining consent of the Secretary for Justice, has accepted written undertakings made under the civil compliance-based mechanism of the Trade Descriptions Ordinance (TDO) by a skincare product importer and a beauty centre suspected of applying false trade descriptions to goods and supplying goods with false trade descriptions in the course of trade.

The C&ED earlier received a complaint against a beauty centre for supplying a skincare product with a suspected false organic authentication logo. After investigation, it was confirmed that the beauty centre procured from an importer the skincare product with the relevant logo without authorisation.

The traders were co-operative in the course of the investigation and proposed to undertake in writing not to continue or repeat the conduct and will take remedial actions. Having fully assessed the traders' proposals, the C&ED accepted the undertaking for a period of two years under the TDO upon obtaining the consent from the Secretary for Justice. The C&ED today (May 10) uploaded the undertaking to the Customs homepage (www.customs.gov.hk/en/customs_notices/undertake/index.html).

A C&ED spokesman stressed that if the trader breaches any terms of the undertaking, the C&ED might withdraw the acceptance of the undertaking pursuant to the TDO, to be followed by investigation and legal proceedings.

Under the TDO, any person who supplies goods with a false trade description in the course of trade or business, or is in possession of any goods for sale with a false trade description, commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Under Section 30L of the TDO, a civil compliance-based mechanism has been put in place to encourage compliance by traders and to settle matters concerned expeditiously. The C&ED, having regard to the nature, actual circumstances of the case and relevant factors, may accept an undertaking from the traders involved after obtaining written consent from the Secretary for Justice.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).