

## LCQ2: Implementation of sanctions imposed by United Nations Security Council

Following is a question by the Hon Kenneth Leung and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (January 23):

Question:

Section 3(1) of the United Nations Sanctions Ordinance stipulates that the Chief Executive shall make regulations to give effect to the instructions given by the Ministry of Foreign Affairs to the Chief Executive on the implementation of the sanctions decided by the Security Council of the United Nations (sanctions regulations). In this connection, will the Government inform this Council:

(1) of the government department(s) currently responsible for enforcing the various sanctions regulations, as well as the relevant staffing establishment; whether it, in view of the sanctions regulations being updated from time to time and the ever-changing international landscape, provides sufficient guidelines and training for the staff concerned on a regular basis; if so, of the details; if not, the reasons for that;

(2) of the number of reports received by the authorities on activities suspected of violating the sanctions regulations, the respective numbers of such activities in respect of which the authorities monitored and investigated (with a breakdown by type), the number of activities involving violations of the sanctions regulations that they forestalled, as well as the respective numbers of the relevant prosecutions and convictions, in each of the past five years; and

(3) whether it will release regularly the details of the law enforcement actions taken in relation to the sanctions regulations (including the number of cases and their summaries), so as to demonstrate to the public and the international community Hong Kong's strict enforcement of the sanctions; if so, of the details; if not, the reasons for that?

Reply:

President,

According to the Charter of the United Nations (UN), Member States of the UN (including the People's Republic of China (PRC)) should apply measures decided by the UN Security Council (UNSC) to maintain or restore international peace and security. As part of the PRC, the Hong Kong Special Administrative Region (HKSAR) implements UNSC sanctions pursuant to the instructions of the Ministry of Foreign Affairs to fulfil our international

obligation.

Currently, UNSC imposes sanctions or restrictions against 14 places and two organisations (Note 1).

Generally speaking, the three most common types of measures imposed by the UNSC are financial sanction, travel ban and arms embargo:

(1) financial sanction prohibits the making available of or dealing with the financial assets and economic resources of persons or entities designated by the UNSC or its relevant Committees;

(2) travel ban prohibits the entry or transit of designated persons into or through the territories of UN Member States;

(3) arms embargo prohibits the supply, sale or transfer of arms and related materiel, technical advice, assistance or training related to military activities, to places or organisations under sanction.

Apart from the three aforementioned types of sanction measures, the UNSC may also impose other sanctions or restrictions having regard to the situation of individual places or organisations (Note 2).

Since Hong Kong's return to China, the HKSAR Government has, according to the principle of "one country, two systems", been implementing and strictly enforcing sanctions imposed by the UNSC through local legislation, i.e. the United Nations Sanctions Ordinance (Cap 537) (the Ordinance) and the regulations made under the Ordinance by the Chief Executive (CE). The HKSAR has made regulations to implement UNSC sanctions or restrictions against the 14 places and two organisations respectively. Relevant law enforcement agencies have been acting in accordance with the law, without fear or favour, to follow up on suspected violations of the Ordinance.

We note that certain countries may, based on their own considerations, impose unilateral sanctions against certain places. HKSAR does not have the responsibility nor the authority to enforce these unilateral sanctions or investigate related cases.

My reply to the three-part question is as follows:

(1) The Hong Kong Police Force (HKPF) and the Customs and Excise Department (C&ED) are the law enforcement agencies of the Ordinance. Generally speaking, the HKPF is mainly responsible for enforcement work related to the financial sanction mentioned above and sanctions on financial transactions or transfer of funds, while the C&ED is mainly responsible for enforcement against the supply, sale or transfer of arms and other items under sanction.

As regards staffing establishment, the Financial Investigation Division of the Narcotics Bureau of the HKPF, with 69 staff members, is mainly responsible for investigating money laundering cases, including suspected violations of the Ordinance. As for the C&ED, apart from the staff responsible for physical examination of cargoes at boundary control points, the Trade Controls Branch, with 47 staff members, is dedicated to the

enforcement of strategic trade controls, the control of the provision of services to assist in the development of weapons of mass destruction, and the enforcement of the Ordinance. We do not have a breakdown of manpower for each duty concerned.

The Government has been closely monitoring the latest information regarding the UNSC, such as new resolutions adopted, updates to sanctions lists, and reports or announcements of the relevant committees or panels of experts under the UNSC. Such information will be disseminated in a timely manner within the Government to keep officers of relevant bureaux, law enforcement agencies and other departments abreast of the latest information for follow-up actions. Besides, the HKPF and C&ED organise in-house training and workshops, arrange overseas training programmes for their officers, and engage in exchanges with their overseas counterparts.

(2) Our law enforcement agencies stay highly vigilant against suspected violations of the Ordinance. They also closely monitor reports published by relevant UNSC committees or panels of experts and other organisations, and actively investigate suspected cases involving Hong Kong. The law enforcement agencies have been following up these cases in accordance with the law, without fear or favour.

In the past five years, the HKPF and the C&ED investigated 201 and 99 suspected cases of sanctions violations respectively. Breakdowns by year are set out in Annex.

Hong Kong has a robust system to implement sanctions imposed by the UNSC. Coupled with the investigation efforts of our law enforcement agencies which are vigilant and with deterrent effect, a number of alleged Hong Kong-registered companies have been struck off, and suspicious vessels have been denied entry into Hong Kong waters. All these are conducive to preventing attempts to make use of Hong Kong as a base to violate UNSC sanctions, and hence safeguarding the international reputation of Hong Kong.

There are currently no prosecution cases under the Ordinance. Hong Kong will continue to maintain a stringent system of implementing UNSC sanctions in accordance with the law. Exercising their statutory authorities, the law enforcement agencies will continue to follow up on all suspected violations of UNSC sanctions, and will institute prosecution when there is sufficient evidence.

(3) Whenever the CE makes new regulations under the Ordinance or amends existing regulations to implement new resolutions adopted by the UNSC, representatives of the Government will attend meetings of the Legislative Council Subcommittee to Examine the Implementation in Hong Kong of Resolutions of the United Nations Security Council in relation to Sanctions, to brief Members on the regulations and answer Members' questions on the implementation and enforcement of the regulations. To ensure confidentiality of investigation work, we will only provide the total number of cases investigated, and will not disclose details of such cases.

On the international front, Hong Kong, as a member of the Financial

Action Task Force and the Asia/Pacific Group on Money Laundering, keeps the two organisations up-to-date on its efforts in anti-money laundering and counter-terrorist financing as well as implementation of UNSC sanctions.

Note 1: These 14 places are Afghanistan, Central African Republic, Democratic Republic of the Congo, Democratic People's Republic of Korea (DPRK), Guinea-Bissau, Iran, Iraq, Lebanon, Libya, Mali, Somalia, South Sudan, Sudan and Yemen, and the two organisations are Islamic State in Iraq and the Levant and Al-Qaida.

Note 2: For instance, UNSC prohibits Member States from:

- (1) the supply or procurement of nuclear- and ballistic missile-related items to or from Iran or the DPRK;
- (2) the supply of items such as aviation fuel, refined petroleum products, crude oil, industrial machinery and transport vehicles and certain luxury goods to the DPRK, the procurement of items such as coal, iron, rare earth minerals, textiles, seafood, food and agricultural products from the DPRK, certain business activities of financial institutions in the DPRK, provision of financial support for trade with persons connected with the DPRK, and engaging in ship-to-ship transfers with DPRK-registered ships, etc.;
- (3) the import of charcoal from Somalia; and
- (4) the transport or discharge of petroleum from Libya by vessels designated by the relevant UNSC Committee, or engaging in financial transactions concerned, etc.