

S for S issues notices to freeze property pursuant to Schedule 3 to Implementation Rules

The Secretary for Security today (May 14), by notice in writing directs that relevant persons and organisations must not, directly or indirectly, deal with certain property which is reasonably suspected to be related to offences endangering national security, pursuant to Schedule 3 to the Implementation Rules for Article 43 of the Law of the People's Republic of China on Safeguarding National Security in the Hong Kong Special Administrative Region (Implementation Rules).

On December 11, 2020, the National Security Department of the Hong Kong Police Force laid one charge of "Collusion with a Foreign Country or with External Elements to Endanger National Security" against Lai Chee-ying. On April 16, 2021, two additional charges, namely "Conspiracy to Commit Collusion with a Foreign Country or with External Elements to Endanger National Security" and "Conspiracy to Do an Act or a Series of Acts Tending and Intended to Pervert the Course of Public Justice", were laid against him.

Pursuant to section 3(1) of Schedule 3 to the Implementation Rules, where the Secretary for Security has reasonable grounds to suspect that any property held by any person is offence related property, the Secretary may, by notice in writing specifying the property, direct that a person must not, directly or indirectly, deal with the property except under the authority of a licence granted by the Secretary. Furthermore, pursuant to section 3(7) of Schedule 3 to the Implementation Rules, if the Secretary for Security has reasonable cause to suspect that any property specified in the notice will be removed from Hong Kong, the Secretary may in the notice give a direction that a police officer may, for the purpose of preventing the property from being removed from Hong Kong, seize the property.

Pursuant to the relevant provisions of Schedule 3 to the Implementation Rules, the Secretary for Security, after considering the relevant information, on May 14, 2021, issued notices for freezing of property in writing to freeze all the shares of Next Digital Limited (282.HK) held by Lai Chee-ying, and the property in the local bank accounts of three companies owned by him.

According to section 1 of Schedule 3 to the Implementation Rules, "offence related property" includes the property of any person who commits, or attempts to commit, participates in or facilitates the commission of, an offence endangering national security.