

## **Press release**

### **LCQ9: Duty-not-paid cigarettes**

Wednesday, February 22, 2012

Following is a question by the Hon Wong Ting-kwong and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (February 22):

Question:

The Government implemented a new requirement in August 2010 that an incoming passenger aged 18 or above can only bring into Hong Kong no more than 19 cigarettes. Further, the Government increased tobacco duty significantly by 41.5% early last year. In this connection, will the Government inform this Council:

- (a) of the number of declarations made to the Customs and Excise Department (C&ED) in accordance with the aforesaid new requirement since its implementation; and the number of times passengers were fined for failing to make declarations to C&ED on bringing one cigarette in excess into Hong Kong;
- (b) since the increase in tobacco duty by 41.5%, of the quantity and value of the duty-not-paid cigarettes (illicit cigarettes), including counterfeit cigarettes, seized by C&ED; how such figures compare with those in the past three years; and
- (c) of the number of persons arrested by C&ED for selling or purchasing illicit cigarettes in the past three years, and the quantity and value of illicit cigarettes seized; the highest penalty imposed on the convicted persons, as well as the number of persons sentenced to such penalty?

Reply:

President,

(a) A total of 23 100 incoming passengers had made a declaration to Customs officers for bringing dutiable cigarettes in excess of the exempted quantities and had paid for the relevant duty since the implementation of the new measure on August 1, 2010 to January 31, 2012. During the same period, a total of 10 passengers were compounded with a fine for bringing in one extra stick of cigarette without making a declaration to the Customs and Excise Department (C&ED).

(b) The amounts and value of illicit cigarettes seized by C&ED from local illicit cigarette activities in the past three years are set out at Annex.

(c) The numbers of buyers and sellers arrested for involving in illicit cigarettes trade and the amounts of illicit cigarettes seized from such cases in the past three years are set out at Annex.

For the penalty on the buyers and sellers convicted for illicit cigarettes trade, the highest sentence for sellers was imprisonment of 18 months, and the highest fine was \$80,000; whereas the highest sentence for buyers was imprisonment of four months, and the highest fine was \$60,000.

Ends