

Controls on Strategic Commodities

The Hong Kong Special Administrative Region (HKSAR) implements a comprehensive and stringent control over the import and export of strategic commodities to prevent HKSAR from being used as a conduit for the proliferation of weapons of mass destruction, while at the same time to ensure the free flow of advanced technology for legitimate commercial, industrial and research use.

The Customs and Excise Department is the sole enforcement agency for strategic trade controls. It is mainly responsible for:

- physical examination of imported and exported cargoes;
- checking of import and export licences to verify the authenticity of information provided therein;
- collection and collation of information and intelligence; and
- investigation and prosecution of contravention of controls.

Types

Strategic commodities are specified in the Schedules 1, 2 and 3 to [the Import and Export \(Strategic Commodities\) Regulations, Chapter 60G, Laws of Hong Kong](#).

Licensing Control

As stipulated in [the Import and Export Ordinance, Chapter 60, Laws of Hong Kong](#), a [licence](#) issued by the Director-General of Trade and Industry is required for the import / export / re-export / transshipment of every shipment of strategic commodities.

Sensitive strategic commodities such as nuclear-related articles and munitions specified in [Schedule 2 to the Import and Export \(Strategic Commodities\) Regulations](#) are also subject to licensing control when transiting through HKSAR.

Advice to Traders

Trading Firms, Carriers, Logistics Companies and Secretarial Service Companies are advised to read the [Guidance Note on Import and Export of Strategic Commodities](#) and [Know Your Customers Guidance](#) of the Trade and Industry Department.

Penalty

As stipulated in [the Import and Export Ordinance, Chapter 60, Laws of Hong Kong](#), any person who imports or exports any strategic commodities not under and in accordance with an import or export licence commits an offence and is liable:

- on summary conviction, to a fine of \$500,000 and to imprisonment for 2 years;
- on conviction on indictment, to an unlimited fine and to imprisonment for 7 years; and
- to mandatory forfeiture of all offending strategic commodities seized.

Enforcement Results on Strategic Commodities

In 2020, the Department:

- examined 101,082 packages of imported / exported cargo;
- checked 3,106 import / export licences;
- completed 243 investigation cases; and
- prosecuted 21 persons / companies in 18 cases with a total fine of HK\$290,000.

Major types of commodities involved in the prosecution cases:

| | Category * |
|--|------------|
| Integrated Circuit | 3A001 |
| Systems / Equipment / Integrated Circuits for Information Security | 5A002 |

* Under the [Strategic Commodities Control List of HKSAR](#).

Recent Cases Highlight

On 8 October 2020, a local trader and two logistic companies were fined a total of \$108,000 for importing from Malaysia 8,400 pieces of integrated circuits [Cat. 5A002] as well as exporting to Mainland China a total of 12,479 pieces of integrated circuits [Cat. 5A002] not under and in accordance with a licence.

On 27 November 2019, a local trader was fined HK\$120,000 for importing one set of Milling Machine [Cat. 2B001(b)(2)] from Germany via Singapore not under and in accordance with a licence.

On 7 March 2018, a local trader was fined HK\$62,000 for importing 57 pieces of digital signal processors [Cat. 3A001(a)]

(2)(c)] to Korea not under and in accordance with a licence.

On 4 December 2017, a local trader was fined HK\$55,000 for exporting 26,000 pieces of integrated circuits [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 18 September 2017, a local trader was fined HK\$50,000 for importing 1 set of electronic streak camera system [Cat. 6A203] and components [Cat. 3A230] from USA not under and in accordance with a licence. The offending goods, in value of HK\$257,495 were forfeited.

On 30 August 2017, a local trader was fined HK\$100,000 for exporting 29 pieces of integrated circuit [Cat. 3A001(a)(2)(c)] to Mainland China not under and in accordance with a licence.

On 13 April 2017, a local airline and a local logistic company were fined a total of HK\$108,000 for exporting 119 pieces of WLAN Access point [Cat. 5A002] to USA not under and in accordance with a licence.

On 21 December 2016, a local logistic company was fined HK\$30,000 for importing 63 pieces of assorted computer parts and network equipment [Cat. 5A002] from Czech Republic not under and in accordance with a licence. The offending goods, in value of HK\$256,175 were forfeited.

On 12 July and 4 August 2016, two local logistic companies were fined HK\$60,000 and HK\$80,000 respectively for importing from Singapore 152,460 pieces of integrated circuits [Cat. 5A002] and attempting to re-export the same to Mainland China not under and in accordance with a licence. The offending goods, in value of HK\$9,953,504 were forfeited.

On 22 September 2016, two local logistic companies were fined a total of HK\$160,000 for importing from Mainland China 4 pieces of router [cat. 5A002] and 12 pieces of switch [cat. 5A002] as well as exporting to United Kingdom 6 pieces of router [cat. 5A002] and 30 pieces of switch [cat. 5A002] not under and in accordance with a licence.

On 31 August 2016, a local trader and a local logistic company were fined a total of HK\$19,000 for importing 1 set of signal generator [Cat. 3A002(d)(1)] from Taiwan not under and in accordance with a licence. The offending goods, in value of HK\$138,000 were forfeited.

On 6 July 2016, a local trader and a local logistic company were fined a total of HK\$45,000 for exporting 1,200 kg of liquid Crystal Polymers [Cat. 1C008(b)] to Mainland China not under and in accordance with a licence.

On 4 July 2016, a local trader was fined a total of HK\$53,644 for importing from Mainland China 810 pieces of integrated circuits [Cat. 5A002] as well as exporting to Mainland China, Hungary and Malaysia a total of 1,074 pieces of integrated circuits [Cat. 5A002] not under and in accordance with a licence.

On 18 March 2016, a local logistic company was fined a total of HK\$30,000 for exporting 6,000 pieces of integrated circuits [Cat. 5A002] to Mainland China not under and in accordance with a licence. The offending goods, in value of HK\$73,944 were forfeited.

On 25 February 2016, a local logistic company was fined a total of HK\$60,000 for exporting 1,100 pieces of integrated circuits [Cat. 5A002] to Mainland not under and in accordance with a licence.

On 14 December 2015, a local logistic company was fined a total of HK\$337,010 for exporting 13,600 pieces of information security modules [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 25 November 2015, a local trader was fined a total of HK\$50,000 for importing from the United States 50 pieces of integrated circuits [Cat. 3A001] not under and in accordance with a licence. The offending goods, in value of HK\$730,255, were forfeited.

On 12 October 2015, a local logistic company was fined a total of HK\$20,000 for importing from the United States 300 pieces of integrated circuits [Cat. 5A002] not under and in accordance with a licence. The offending goods, in value of HK\$127,717, were forfeited.

On 23 September 2015, a local logistic company was fined a total of HK\$602,100 for exporting 779,000 pieces of integrated circuits [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 23 September 2015, a local logistic company was fined a total of HK\$100,000 for importing from the United States 10 pieces of integrated circuits [Cat. 5A002] and re-exporting the same to Mainland China not under and in accordance with a licence.

On 15 June 2015, a local company was fined a total of HK\$230,000 for exporting 172,000 pieces of integrated circuits [Cat. 5A002] to the Mainland China not under and in accordance with a licence.

On 20 May 2015, a local trader was fined a total of HK\$140,000 for exporting 141,239 pieces of integrated circuits [Cat. 5A002] to the Mainland China not under and in accordance with a licence.

On 8 April 2015, a local logistic company was fined a total of HK\$200,000 for exporting 10,000 pieces of System On-Chips [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 17 September 2014, a local trader was fined a total of HK\$100,000 for exporting 52 pieces of integrated circuits [Cat. 3A001] to the United States not under and in accordance with a licence.

On 28 August 2014, a local shipping company and a local logistic company were fined a total of HK\$130,000 for importing from the United States 38,400 kg of Potassium Cyanide [Cat.1C350(40)] and exporting the same to Mainland China not under and in accordance with a licence.

On 13 August 2014, a local trader was fined a total of HK\$150,000 for exporting 13 sets of vertical machining center [Cat.2B201] to Mainland China not under and in accordance with a licence.

On 3 October 2013, a local trader was fined a total of HK\$172,000 for exporting 125,330 pieces of bluetooth integrated circuits [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 2 October 2013, a local trader was fined a total of HK\$230,000 for exporting 246,000 pieces of integrated circuits [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 26 September 2013, a local trader was fined a total of HK\$150,000 for exporting 1,740 pieces of field programmable logic devices [Cat. 3A001] to the United States not under and in accordance with a licence.

On 19 June 2013, a local trader was fined a total of HK\$120,000 for exporting 12 pieces of Network Switches [Cat. 5A002] to the United States not under and in accordance with a licence.

On 11 April 2013, a local company was fined a total of HK\$210,000 for exporting 19,500 pieces of integrated controllers [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 10 April 2013, a local trader was fined a total of HK\$189,000 for exporting 21,000 pieces of chipset [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 13 March 2013, a local trader was fined a total of HK\$180,000 for exporting 39,000 pieces of chipset [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 6 March 2013, a local company was fined a total of HK\$120,000 for exporting 7,820 pieces of integrated circuit [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 20 February 2013, a local trader was fined HK\$180,000 for exporting 36,000 pieces of bluetooth integrated circuit [Cat. 5A002] to Mainland China not under and in accordance with a licence.

On 16 August 2012, a local company was fined a total of HK\$120,000 for exporting 4,812 pieces of field programmable logic devices [Cat. 3A001] to Mainland China not under and in accordance with a licence.

On 9 January 2012, a local company was fined HK\$300,000 for importing from Malaysia 11,250 pieces of chipset [Cat. 5A002] and re-exporting the same to Mainland China not under and in accordance with a licence.

On 21 November 2011, two local companies were fined a total of HK\$180,000 for importing from Singapore 46,300 pieces of field programmable logic devices [Cat. 3A001] and 1 piece of transceiver [Cat. 5A002] as well as exporting to Mainland China 51,400 pieces of field programmable logic devices [Cat. 3A001] and 1,000 pieces of transceiver [Cat. 5A002] not under and in accordance with a licence.

On 18 July 2011, a local trader was fined HK\$140,000 for exporting to Mainland China 34,944 pieces of Flash Memories [Cat. 3A001] not under and in accordance with a licence.

On 16 March 2011, a local exporter was fined HK\$20,000 for attempting to export 14,000 pieces of integrated circuits [Cat. 5A002] to Taiwan not under and in accordance with a licence. The goods were forfeited to the HKSAR Government.

On 9 February 2011, a local trader was fined HK\$300,000 for importing from Mainland China 286 pieces of communication servers [Cat. 5A002] and re-exporting the same to the United Kingdom not under and in accordance with a licence.

On 24 November 2010, four local companies were fined a total of HK\$121,000 for importing from Japan 16,070 pieces of field programmable logic devices [Cat. 3A001] and re-exporting the same to the Mainland China not under and in accordance with a licence.

On 18 November 2010, a local company was fined HK\$15,000 for importing from Taiwan 1,000 pieces of WiFi Modules [Cat. 5A002] and re-exporting the same to South Korea not under and in accordance with a licence.

On 24 September 2010, a local company was fined HK\$150,000 for exporting to Mainland China 79,290 pieces of complex programmable logic devices [Cat. 3A001] not under and in accordance with a licence.

On 5 August 2010, two local traders were fined a total of HK\$130,000 for exporting 4,080 kg. of Fluorinert Electronic Liquid [1C006] to Mainland China not under and in accordance with a licence.

On 29 April 2010, a local company was fined HK\$150,000 for exporting to Mainland China 9,254 pieces of field programmable logic devices [Cat. 3A001] not under and in accordance with a licence.

On 21 April 2010, a local trader was fined HK\$128,000 for exporting to Mainland China 5,500 pieces of integrated circuits for information security [Cat. 5A002] not under and in accordance with a licence.

On 10 March 2010, a local trader was fined a total of HK\$367,000 for importing from Malaysia 3,240 pieces of field programmable logic devices [Cat. 3A001] and exporting 9,180 pieces of field programmable logic devices [Cat. 3A001] to Mainland China not under and in accordance with a licence.