

Legislative Council Panel on Trade and Industry

Creation of a Supernumerary Post of Assistant Commissioner of Customs and Excise (D2)

Introduction

This paper seeks Members' support on the creation of an Assistant Commissioner (D2) post in the Customs and Excise Department from 14 January 2001 to 13 July 2002.

Background

2. The Customs and Excise Department, in the name of Hong Kong, China, was elected as the Vice-Chairman of the World Customs Organization (WCO) for the Asia Pacific Region in July 2000 for a term of one year. Although the tenure of office of the WCO Chairman and Vice-Chairmen is one year, it is an established practice among the WCO members of the Asia Pacific Region to re-elect its regional Vice-Chairman to serve for one more year. In the past ten years, the WCO Vice-Chairmen for the Asia Pacific Region, namely, Korea(1990/91-1991/92), Japan(1992/93-1993/94), Malaysia (1994/95-1995/96), India(1996/97-1997/98) and Australia(1998/99-1999/2000), were all re-elected to serve for two consecutive years. Hong Kong, China is thus expected to serve as the WCO Vice-Chairman for two years up to July 2002.

3. Hong Kong has been a member of the WCO since 1 July 1987. The WCO is an independent inter-governmental body. It was founded in 1952 (under the name of Customs Co-operation Council) to improve efficiency and effectiveness of customs administrations through co-operation. Currently, the WCO has 153 member customs administrations, covering approximately 97% of world trade.

4. As the WCO Vice-Chairman, the Commissioner of Customs and Excise (C of C & E) will have to carry out the following duties -

- (a) to represent members of the Asia Pacific Region in meetings of the WCO and other fora, which are attended by heads of customs administrations as well as senior officials of international organizations;
- (b) to represent the WCO to attend regional customs fora;
- (c) to collect and reflect regional members' views to the WCO;
- (d) to identify regional requirements in respect of the WCO's activities;
- (e) to propose initiatives in promoting cooperation in the Asia Pacific Region;
- (f) to host and coordinate regional meetings and training programmes;
- (g) to formulate a Regional Strategic Plan (RSP) to steer customs activities in the Asia Pacific Region with a view to enhancing effectiveness and efficiency through mutual cooperation and sharing of best practices;
- (h) to publish the Asia Pacific Customs News (three issues a year); and
- (i) to administer and further develop the regional web site of the customs administrations in Asia Pacific Region.

5. In view of the heavy workload involved, the Commissioner of Customs and Excise (C of C&E) needs an Assistant Commissioner (AC) and a dedicated team of non-directorate staff to assist him in carrying out the above duties. As Hong Kong, China was only elected

as the Vice-Chairman in July 2000, it was not possible to seek the approval of the then Legislative Council to create the AC post. C of C&E therefore exercised his delegated authority to create a supernumerary AC post for six months with effect from 14 July 2000 to meet the immediate operational need. The post will lapse on 13 January 2001.

6. The dedicated team of support staff, called the WCO Group, consists of one Superintendent of Customs and Excise, one Assistant Superintendent of Customs and Excise, one Senior Inspector of Customs and Excise, one Assistant Clerical Officer and one Clerical Assistant. The WCO Group is a temporary set-up and its posts will lapse in July 2002.

Benefits to Hong Kong

7. As the WCO Vice-Chairman, we can -
- (a) better promote regional trade facilitating policies and practices and influence the formulation of WCO's policies;
 - (b) enhance our international position by being a leading customs administration; and
 - (c) underline our status as a separate customs administration under the principle of "one country, two systems".

Justification

8. Given that the WCO Vice-Chairman is involved in formulating high-level customs policies with far-reaching international impacts, C of C & E needs the assistance of a directorate officer with extensive knowledge and expertise in customs work. This officer must also possess substantial managerial and administrative experience to steer the work of the WCO Group. In addition, he will need to be sufficiently senior to deal with other officials of the WCO and customs

administrations at comparable rank. As such, we propose that the rank of the officer should be pitched at D2 level i.e. the Assistant Commissioner level.

9. C of C & E has tasked the new AC to oversee also the Customs Intelligence and Liaison Bureau (CILB). The CILB is responsible for liaison, cooperation and intelligence exchange with overseas customs administrations, customs authorities in the Mainland and other international organizations. Since the duties of the new AC already involve a lot of liaison with other customs authorities, it will be useful for the new AC to oversee CILB's work as well. The CILB was formerly part of the Administration and Excise Branch headed by another AC (AC(A)). With the temporary transfer of CILB to the new AC for two years, AC(A) will remain fully engaged as there are new and additional work falling under his schedule, for example, implementation of an Open Bond System for dutiable commodities scheduled for 2002-03. The CILB will be returned to the Administration and Excise Branch in July 2002.

10. The detailed job description of the new AC post is at Annex A.

Organization Chart

11. The organization charts of the Customs and Excise Department before and after the creation of the new post are at Annexes B and C.

Financial Implications

12. The additional notional annual salary cost of this post is \$1,443,000. The full annual average staff cost of the proposal, including salary and staff on cost, is \$2,452,392. The Secretary for the Treasury has confirmed that funding is available.

Advice Sought

13. Members are invited to support the creation of an Assistant Commissioner (D2) post in the Customs and Excise Department from 14 January 2001 to 13 July 2002.

Way Forward

14. Subject to Members' views on the proposal, we will seek the approval of the Establishment Sub-Committee on 20 December 2000 and the Finance Committee on 12 January 2001 to formally create the post.

Commerce and Industry Bureau
November 2000

Job Description

Branch : Customs Cooperation and Intelligence Branch

Post/Rank : Assistant Commissioner of Customs & Excise

Organizational Relationship :

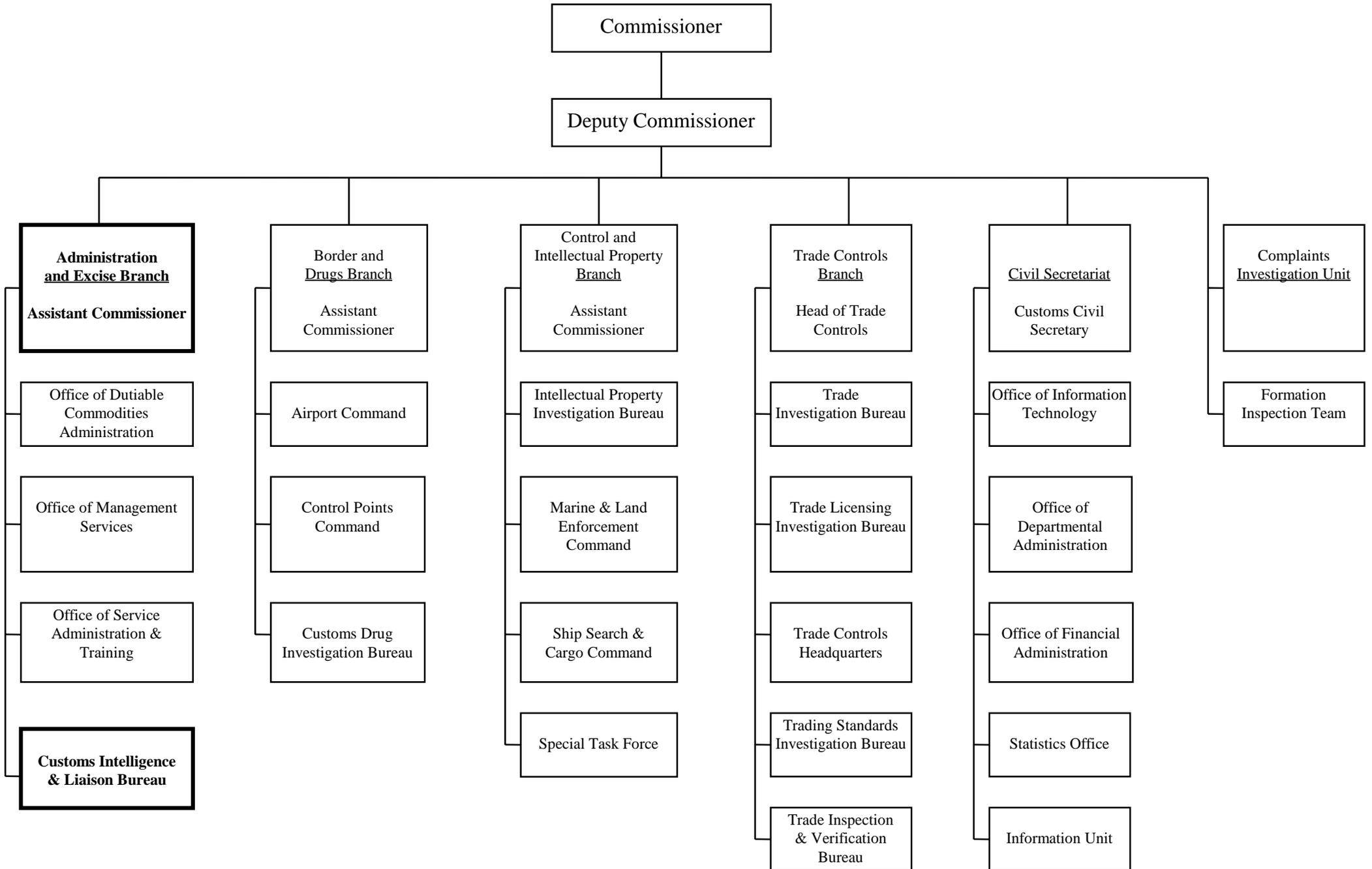
Responsible to the Commissioner through Deputy Commissioner of Customs & Excise.

Detailed Description of Duties and Responsibilities :

- (a) to plan, manage and direct the work of the Customs Cooperation and Intelligence Branch which comprises the Customs Intelligence & Liaison Bureau and the World Customs Organization Group;
- (b) to assume the role of the Department's Chief Liaison Officer who is responsible for handling liaison and exchanging intelligence with the Mainland's Customs General Administration;
- (c) to formulate and administer departmental policy and strategy relating to intelligence handling and customs cooperation at regional and international level;
- (d) to assist and advise the Commissioner in discharging his duties and responsibilities of the WCO Vice-Chairman for the Asia Pacific Region;
- (e) to represent Hong Kong, China to liaise with the WCO and regional Member Administrations, and to coordinate the participation of regional Member Administrations in the activities of the WCO in fulfilling the obligations of the Vice-Chairman;
- (f) to assess the impacts of activities of international organizations, international conventions and agreements, and make recommendations to the Commissioner and the Deputy Commissioner;

- (g) to advise the Commissioner on the necessary amendments to the Customs legislation, departmental work procedures and guidelines in preparing the HKSAR's accession to the revised "International Convention on the Simplification and Harmonization of Customs Procedures" (the revised Kyoto Convention), which aims to simplify and harmonize customs procedures and practices world-wide by fostering international cooperation;
- (h) to coordinate and formulate departmental reforms and activities in the fulfillment of HKSAR's commitments and obligations in being a member of the Sub-Committee of the Asia Pacific Economic Cooperation (APEC) on Customs Procedures; and
- (i) to attend meetings of the WCO, APEC and other international conferences/meetings on Customs matters.

**Organisation Chart of the Customs and Excise Department
(before the creation of the new AC post)**



**Organisation Chart of the Customs and Excise Department
(after the creation of the new AC post)**

