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24<sup>th</sup> August 2017

Hon Kenneth Leung  
Room 918, Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong

Dear Hon Kenneth Leung,

**Public Hearing on September 6th 2017: Cap 586 Amendment Bill**

We write to express our continued support for the Hong Kong Government's proposed Cap 586 Amendment Bill. As such, we fully support the government's three-step plan to ban the Hong Kong ivory trade; and its proposals to increase maximum penalties under the Protection of Endangered Species Ordinance (Cap 586). However, we **do not** support any proposition to compensate traders or buy out their stocks. Our reasons are as stated:-

- **Providing any form of compensation will signal that Hong Kong is 'buying' ivory.** Payment by any name e.g. *Ex gratia*, buy-out or compensation for stocks or licenses, will be perceived by other countries as a concession to the trade and will provide a 'perverse incentive'. It will almost certainly result in a poaching surge to supply the market. The largest seizure of ivory in Hong Kong just before the first bills committee in June, is testament to the persistence of an extremely active trafficking industry, which is ready to ramp up given the correct signals. Providing payments to ivory traders will create the opportunity and further incentive for unscrupulous traders to launder ivory.

There is worldwide consensus that the ivory trade must close, to protect African elephant populations. Ivory trade fuels the destruction of the environment/wildlife essential to public welfare. Such destruction abroad has indirect but serious effects on the people of Hong Kong. As noted above, as compensation will almost certainly trigger poaching, it will render the very purpose of the ban obsolete.

- **The Hong Kong Government is not depriving ivory owners of all use of property.** Under the amendment bill, the government would not appropriate, seize or take ivory which is explicitly owned by individuals as "personal effects" or for "non-commercial purposes". Nor will it seize legal commercial ivory in the five year grace period. After this period, commercial ivory will be designated for 'non-commercial purposes only, or as 'personal effects'. Therefore, the claims for 'compensation' are unjustified and the government is not bound by any laws to provide compensation in any form.

Although traders will be given five years to sell their existing stocks. In reality they will have had at least six years given that the proposal to ban the trade was announced in January 2016

- **Compensation would establish a dangerous global precedent.** Anti-ban/pro-compensation lobbyists abroad would seize on any commitments by the Hong Kong government to pay out the industry, placing other countries that are similarly banning or proposing to ban the ivory trade, under pressure and in a precarious position. It would potentially slow international efforts to eradicate the ivory trade,
- **Traders and others who have speculated on ivory have done so, knowing the risks.** African elephant populations have been recognised to be at risk of extinction for over three decades. Over this time period there have been increasing global efforts to limit the trade. For example following the 1990 international ban: India, China, Congo, Gabon, the DRC, Egypt, several American states (incl. California, NY, NJ and Washington state), to name a few, have all tightened domestic regulation or banned the ivory trade. The Hong Kong Government cannot be held financially responsible for the business risks and failures inherent in such a trade.
- **The heritage value and traditional skills of carvers are not a reason to continue the trade.** The carver's skills are rightly recognised because of their heritage value and the talent of the carvers themselves. These skills need not be forgotten, following the abolition of the domestic trade. There are in fact numerous materials which carvers could apply their skills to, such as wood and stone, a solution already proposed by the Chinese government.
- **Carvers and traders have had over two decades since the international ban, to diversify and/or switch trades.** Support has been provided through retraining programmes and financial assistance during the transition. Carvers will continue to have access to vocational retraining under the proposed scheme. The Government has identified only one trader who is solely reliant on ivory, and he is expected to have sold his stocks in under four years.
- **Those complicit in the illicit trade should not be rewarded with taxpayer dollars.** The extent of the illegality in the trade has made the local market untenable.

Yours sincerely,



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Sophie le Clue  
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ADM Capital Foundation

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The Democratic Party 民主黨  
Business and Professionals Alliance for Hong Kong  
Civic Party 公民黨  
Liberal Party 自由黨  
New Territories Association of Societies  
New People's Party 新民黨  
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Labour Party 工黨  
Federation of Hong Kong and Kowloon Labour Unions  
League of Social Democrats  
New Century Forum 新世紀論壇