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世界自然基金會
香港分會

WWF-Hong Kong

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17th March 2017

Legislative Complex
1 Legislative Council Road
Central, Hong Kong

Dear Members of the Legislative Council,

Re: Legislative Proposal to Phase Out Hong Kong's ivory trade

In view of the upcoming Panel on the Environment Affairs discussion on March 27, we are writing to respectfully request your support for the Hong Kong Government's proposal to **ban the ivory trade by 2021** with no compensation, and impose a **maximum penalty of 10 years imprisonment** to deter future wildlife crime offenders.

1. Why is an ivory ban needed?

- Behind the white polished ivory products on sale in Hong Kong, is a system of ivory trade that is rife with illegal practices – one that has led to a poaching crisis of African elephants and loss of rangers lives. Over the past 10 years, 1,000 rangers were killed in line of duty to protect elephants and wildlife (Appendix A: [Hard Truth Report](#))
- Current regulation of the ivory trade¹ is filled with loopholes, as described by an ivory trader captured in an undercover research detailed in the *Hard Truth Report*, who stated that it is easy to smuggle illegal ivory of freshly killed elephants from Africa to Hong Kong, then take advantage of the loopholes to launder the illegal ivory using a legal ivory license. Recently, the government has also tested the ivory chopsticks sold in a shop in Sheung Wan which, through forensics technology, verified it to be illegal. Furthermore, the Hong Kong traders have been selling ivory to mainland China tourists for years, even though it is illegal to take ivory out of the city without the correct permit. Traders even coach their customers on how to smuggle ivory out of Hong Kong.
- It is impractical to believe that the ivory trade can be properly regulated. Current regulations have, and will continue to invite, illegal trading activities in the city, and will require a substantial enforcement effort.. Hong Kong will find it extremely challenging to maintain a legal ivory trade regime without effective governance of a globalized ivory trade, which would require strong complementary enforcements in many countries, including those that are struggling with serious corruption problems. Therefore governments around the world, including Hong Kong, Singapore, US and China, have concluded that the best solution is the closure of the ivory markets.

2. How long should it take before the ivory ban becomes effective?

¹ A licensing system allows licensed traders to openly trade in ivory sourced prior to the 1990 international ban, even though there is no way to distinguish the age of ivory pieces with the naked eye (and only possible through forensic testing in a laboratory). Government of the trade, until recently, has been alarmingly lax. Traders were only required to submit trade records to the authorities roughly every five years.

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- There is strong international momentum urging the ivory trade to end as soon as possible. Countries, such as the US, are implementing their commitment within a short time frame, and China is even more proactive as it will end its domestic ivory trade within 1 year. A legal study showed that the ban could be implemented much sooner under current Hong Kong law. (Appendix B: [Legal study on an ivory ban](#))
 - The traders were well-informed that the ivory trade started to come under regulation in 1975 under the International Convention CITES², which was eventually banned internationally in 1990. Since then, the traders have already enjoyed 27 years of grace period to liquidate their stock. In addition, it is proposed that traders will be given 5 more years to liquidate their stock.
 - It is extremely unusual that businesses would import and hold in stock a considerable amount of inventory that would take over three decades to sell.
3. Has the Government pre-empted that the ivory trade will phase out?
- The Hong Kong Government has been proactive in making numerous public announcements and engagement with traders so that they are well aware of the impending change in ivory trade regulations. This includes:
 - o *October 2015*, Under Secretary for the Environment Ms Christine Loh stated the Government is “open-minded” to ban the ivory trade
 - o *January 2016*, Chief Executive CY Leung has announced in his annual Policy Address to phase out the ivory trade
 - o *June 2016*, Environment Bureau has submitted a draft implementation plan to the Legislative Council.
 - o *Oct 2016*, International Convention CITES, which Hong Kong and China are a signatory country, has passed a resolution calling for the closure of domestic ivory markets that contribute to elephant poaching and illegal trade. (Appendix C: [CITES Res. 10.10 Rev CoP17](#))
 - Furthermore, the ivory ban will not take effect until five years later in 2021. Hence, far from not having been warned, ivory traders are now been offered considerably more time to finally liquidate all of their stocks.
4. Why compensation is not justified
- The Hong Kong Government had developed a licensing control system for local ivory trade, with the intention being that ivory traders could liquidate their remaining stocks. It never suggested that the trade and the licenses should be sustained indefinitely. Hong Kong ivory traders should know full well that remaining in the ivory industry during these 27 years bears considerable risks. Statistics show that Hong Kong traders had been small amounts of new ivory (pre-Convention ivory) in recent years. They took an ill-fated business risk to build up their stocks in this way, at a time when ivory prices were speculated and high, and thus hoped that this was a good investment. It was not a wise business strategy, and should certainly not be compensated now with taxpayers' money for having taken this business risk.
 - The Hong Kong Government has been reasonable in minimizing the impact of an ivory ban.
 - o A grace period of 27 years has already been granted to the ivory traders, and an additional 5 years has now been proposed to be added on.
 - o Today, the ivory ban will have a very limited impact on the ongoing business of traders who are licensed to the government's survey which shows that most ivory traders have diversified their businesses. According to the Hong Kong government, the ivory trade was generally inactive, and it did not seem to constitute an essential part of the licensees' business in general. (Appendix D: [Government survey on ivory trade and carvers](#) (Annex in Page 9))

² CITES is the Convention on International Trade in Endangered Species of Wild Fauna and Flora

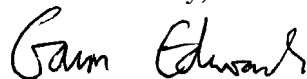
- As for the carvers, the Hong Kong government have provided financial subsidies and re-training programs for carvers in the 1990s after the international trade ban. Most carvers have already transitioned into other industries.
 - The proposed draft law does not infringe the traders' "right to compensation for lawful deprivation of...property" as protected by Article 105 of the Basic Law of the Hong Kong SAR. (Appendix B: [Legal study on an ivory ban](#))
 - Compensation will send the wrong educational message to society if it is granted to an industry where there are known elements of illegality. This includes the poaching crisis in Africa, smuggling via criminal gangs, laundering, and illegal selling in Asia.
 - No other countries, including the US and China, are providing compensation for their ivory ban. Hong Kong could compromise its reputation that it so recently gained as a leader on the world stage in closing one of the largest ivory markets globally.
5. Is a maximum of 10 years imprisonment on wildlife crime justifiable?
- The proposal for an increase in maximum penalties in Hong Kong of 10 years imprisonment is reasonable, compared to the maximum penalties in Australia (10 years), India (7 years) and China (life imprisonment).
 - In recent years, the illegal wildlife trade has exploded globally to meet the increasing demand for animal products. With the involvement of crime syndicates, wildlife is trafficked with high resemblance to drugs or weapons, making it the fourth biggest illicit trade that values at over US\$19 billion annually. Hong Kong is a favoured route for transnational criminal gangs that smuggle wildlife products into Asia. Over the past five years, the number of smuggling cases has tripled, with the total value of contraband reaching HK\$130 million in 2015. (Appendix E: [Penalties on Wildlife Crime](#))

Every year over 20,000 elephants are killed, primarily for their tusks to satisfy the demand for ivory products in Asia, particularly in China and Thailand. Hong Kong is a key part of this trade as a major *transit* and *retail* hub.

Over 90,000 Hong Kongers have signed a WWF petition to support the ivory ban. Governments around the world are coming to the conclusion that, an ivory ban is vital to reverse the elephant poaching crisis. China's President Xi Jinping (习近平) and ex-US President Barack Obama were first to reach consensus to phase out their ivory markets, as well as Singapore. Furthermore, US President Trump has passed an executive order on "Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking". Now the world is watching how Hong Kong would follow up with its commitment, and expects a swift phase out of the ivory trade and without offering financial reward to this unscrupulous industry.

Hong Kong has earned an international reputation as a lawful society, and must ensure that this is maintained. Amidst the threats posed by global criminal syndicates and legal loopholes in local regulation that challenges our rule of law, we place our trust in you that the lawmakers of Hong Kong will take all available measures to disrupt and prosecute those who prey on and profit from the deaths of these magnificent animals.

Yours sincerely,



Gavin Edwards,
Director of Conservation
WWF-Hong Kong