

## **LEGISLATIVE COUNCIL BRIEF**

Control of Chemicals Ordinance  
(Chapter 145)

### **CONTROL OF CHEMICALS ORDINANCE (AMENDMENT OF SCHEDULE 3) ORDER 1999**

#### **INTRODUCTION**

At the meeting of the Executive Council on 25 May 1999, the Council ADVISED and the Chief Executive ORDERED that the Control of Chemicals Ordinance (Amendment of Schedule 3) Order 1999 at Annex A should be made under section 18A(2) of the Control of Chemicals Ordinance (the Ordinance), to delete potassium permanganate from Schedule 3 to the Ordinance.

#### **BACKGROUND AND ARGUMENT**

##### **General Background**

2. PP is a chemical commonly used as a general oxidizing and bleaching agent, and in the manufacture of disinfectants, dyes and chemical reagents. It is also an essential chemical for the illicit processing of coca paste into cocaine base and the manufacture of methcathinone from ephedrine. Hong Kong is not a producing territory of PP. In recent years, PP has mostly been imported to Hong Kong from the Mainland and re-exported to other countries. From 1995 to 1998, about 3 980 tons of PP had been imported to Hong Kong and a similar amount had been exported from Hong Kong to other countries. At present, about 20 local trading companies are known to have imported PP into and re-exported it from Hong Kong.

### Control under Schedule 3 to the Control of Chemicals Ordinance

3. PP is currently listed in Schedule 3 to the Ordinance (copy at Annex B). For substances listed in Schedule 3, no licence, permit or approval is required for their manufacture, import, supply, sale, possession, storage or transshipment. The only control in respect of substances listed in Schedule 3 is in section 3A of the Ordinance, which requires a licence for the export of such substances to the 11 Central and South American countries specified in Schedule 3. After a trader has been licensed to export, he still has to apply for an individual authorization each time he exports a Schedule 3 substance to a specified country.

### Control under Schedule 2 to the Control of Chemicals Ordinance

4. The control of substances listed in Schedule 2 to the Ordinance is relatively strict compared to that for substances in Schedule 3. A licence is required for the manufacture, import and export of the substances listed in Schedule 2. For each and every shipment to be imported or exported, a licensee has to apply for an individual import/export authorization. When any Schedule 2 substance passes through Hong Kong in transshipment, it shall not be removed from the incoming carrier, or from any other place after it has been first removed from the incoming carrier, except under and in accordance with the conditions set out in a removal permit. According to the Control of Chemicals Regulations, substances listed in Schedule 2 may only be kept or stored in places and containers approved by the Commissioner of Customs & Excise. Moreover, once a person has been issued with a licence or a removal permit, he has to keep a register for each type of controlled chemical he manufactures, imports, exports and transships, and update such register and lodge a copy of it with the Commissioner of Customs & Excise within 24 hours following each updating.

### Reasons for amendment

5. At the Special Session of the United Nations General Assembly held in June 1998, member jurisdictions expressed concern about the need for rapid and timely information exchange between importing and exporting countries in order to exercise effective control on precursor chemicals. A resolution was passed calling for action by member jurisdictions to improve

their mechanism and procedure for monitoring trade in precursors, including regular exchange of information between exporting, importing and transit countries, and with the International Narcotics Control Board on exports of precursors before they take place, including, in particular, the provision by exporting countries of pre-export notification to the competent authorities in importing countries about all transactions involving PP. The United Nations' resolution shows that PP warrants a high degree of control because of its crucial role in illicit cocaine production.

6. In many North American and Western European countries, the abuse of cocaine is a very serious problem. Some countries, such as the United States, have repeatedly appealed for international efforts to upgrade the control of PP in order to deter the transshipment of the chemical to countries in South America, which are the main producers of cocaine. As a good international partner in precursor control, we consider that PP should be more stringently regulated and its shipment to and from, and transshipment via Hong Kong should be more vigorously monitored.

#### Power to amend Schedules

7. According to section 18A of the Ordinance, the Chief Executive in Council may by order amend Schedule 3 and the Secretary for Security may by order amend Schedule 2.

### **THE PROPOSAL**

8. The Chief Executive in Council ordered that the control of PP should be tightened by deleting PP from Schedule 3 to the Ordinance and adding it to Schedule 2, to fall in line with the objective of the United Nations resolution made in June 1998 and Hong Kong's continuous efforts in preventing diversion of precursor chemicals for illicit use.

### **THE ORDER**

9. The Order seeks to delete PP from Schedule 3. A separate Amendment Order to be made by the Secretary for Security to add PP to

Schedule 2 to the Ordinance, in accordance with section 18A(1) of the Ordinance, will be tabled at the Legislative Council at the same time.

### **LEGISLATIVE TIMETABLE**

10. The legislative timetable approved by the Chief Executive in Council is :-

Publication in the Gazette	4 June 1999
Tabling at the Legislative Council	9 June 1999

### **COMMENCEMENT**

11. The proposed amendment is planned to take effect on 2 October 1999.

### **BINDING EFFECT OF THE LEGISLATION**

12. The amendment will not affect the current binding effect of the Ordinance.

### **BASIC LAW IMPLICATIONS**

13. The Department of Justice advises that the Order is consistent with the Basic Law.

### **HUMAN RIGHTS IMPLICATIONS**

14. The Department of Justice advises that the Order has no human rights implications.

## **FINANCIAL AND STAFFING IMPLICATIONS**

15. The additional workload arising from the tightened control over PP is considered insignificant and will be absorbed from within the existing establishment of the Customs and Excise Department.

## **ECONOMIC IMPLICATIONS**

16. The Order will cause no economic implications.

## **PUBLIC CONSULTATION**

17. The Action Committee Against Narcotics was consulted in December 1998 and supported the proposal. A total of 36 companies and trade associations known to the Customs and Excise Department as being involved in the trade of PP were consulted in early 1999. These organizations had not expressed any objection to the proposal.

## **PUBLICITY**

18. A press release will be issued on 2 June 1999. A spokesman will be made available to answer any enquiries.

## **ENQUIRIES**

19. For any enquiries on the Order, please contact Ms Mimi Lee, Principal Assistant Secretary for Security (Narcotics), at 2867 2748.

Security Bureau  
2 June 1999  
[NCR 10/1/10 (A) VIII]

**CONTROL OF CHEMICALS ORDINANCE  
(AMENDMENT OF SCHEDULE 3) ORDER 1999**

**ANNEXES**

- Annex A - Control of Chemicals Ordinance (Amendment of Schedule 3) Order 1999
- Annex B - Schedule 3 to Control of Chemicals Ordinance

**CONTROL OF CHEMICALS ORDINANCE (AMENDMENT OF  
SCHEDULE 3) ORDER 1999**

(Made by the Chief Executive in Council under section 18A(2) of the Control of Chemicals Ordinance (Cap. 145))

**1. Commencement**

This Order shall come into operation on 2 October 1999.

**2. Schedule 3 amended**

Schedule 3 to the Control of Chemicals Ordinance (Cap. 145) is amended in item 1, in column 2, by repealing", potassium permanganate (高錳酸鉀)".

Clerk to the Executive Council

COUNCIL CHAMBER

1999

**Explanatory Note**

This Order is consequent upon the making of the Control of Chemicals Ordinance (Amendment of Schedule 2) Order 1999 which aims to impose stricter requirements for the manufacture, export and import of potassium permanganate (an essential chemical for the manufacture of cocaine).

**BLIS ON INTERNET****Section of Enactment**

Chapter: 145 Title: CONTROL OF CHEMICALS ORDINANCE Gazette Number:  
 Schedule: 3 Heading: Version Date: 30/06/1997

[sections 2, 2A, 3A  
& 18A]

Item	Substance	Country of destination
1.	Methyl ethyl ketone (MEK) (甲乙酮), toluene (甲苯), potassium permanganate (高錳酸鉀) and sulphuric acid (硫酸) (*)	Argentina Bolivia Brazil Chile Colombia Ecuador Guatemala Mexico Panama Peru Venezuela
2	Acetone (丙酮), ethyl ether (乙醚) and hydrochloric acid (鹽酸) (*)	Afghanistan Argentina Bangladesh Bolivia Brazil Cambodia Chile Colombia Ecuador Guatemala India Iran Laos Lebanon Malaysia Mexico Myanmar



Nepal  
Pakistan  
Panama  
Peru  
Singapore  
Sri  
Lanka  
Thailand  
Turkey  
Venezuela  
Vietnam

(\*) Including the salts of these substances, except for sulphuric acid and hydrochloric acid, whenever the existence of such salts is possible.

(Added 64 of 1994 s. 17)