

## **LEGISLATIVE COUNCIL BRIEF**

Protection of Endangered Species of Animals and Plants Ordinance  
(Chapter 586)

### **PROTECTION OF ENDANGERED SPECIES OF ANIMALS AND PLANTS (AMENDMENT) BILL 2017**

#### **INTRODUCTION**

At the meeting of the Executive Council on 23 May 2017, the Council ADVISED and the Chief Executive ORDERED that the Protection of Endangered Species of Animals and Plants (Amendment) Bill 2017 (the Amendment Bill) at **Annex A** should be introduced into the Legislative Council (LegCo). This Amendment Bill seeks to –

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- (a) amend the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) (the Ordinance) to take forward a three-step plan to enhance regulation on import and re-export of elephant ivory (“ivory”) and elephant hunting trophies and to phase out the local ivory trade, and
- (b) increase the penalties under the Ordinance to provide a stronger deterrent against the smuggling and illegal trading of endangered species.

#### **JUSTIFICATIONS**

##### ***Existing Control***

2. The Convention on International Trade in Endangered Species

of Wild Fauna and Flora (CITES) requires that the import, introduction from the sea, export or re-export of the species listed in its three Appendices<sup>1</sup> be subject to control. The CITES is implemented in Hong Kong through the Ordinance, which is updated regularly in light of CITES's latest requirements. CITES provisions started to apply to elephants on 1 July 1975 for Asian elephant and on 26 February 1976 for African elephant. Ivory that was acquired before the CITES provisions started to apply to elephants is referred to as "pre-Convention ivory", while ivory acquired after the CITES application to elephants as "post-Convention ivory". Since 1990, the international trade in elephant specimens including ivory, particularly post-Convention ivory, has been virtually banned, except under certain specific and stringent circumstances. Given Hong Kong's history as a centre of ivory trade in the Asian region in 1980s, a substantial amount of ivory had been imported legally and in accordance with the CITES provisions into Hong Kong before the international trade ban on ivory in 1990. Such ivory entering Hong Kong had been registered with the then Agriculture and Fisheries Department (now Agriculture, Fisheries and Conservation Department, AFCD). Post-Convention ivory are allowed to be traded in Hong Kong only under a Licence to Possess (PL). However, international trade in pre-Convention ivory is allowed when the specimen is accompanied by a pre-Convention certificate certifying its pre-Convention status. The possession or control of pre-Convention ivory for commercial purposes without a PL is permitted. In short, the international trade in elephant specimens has generally been banned but remains permissible under limited circumstances including where the elephant specimens are pre-Convention ivory, hunting trophies and certain specified ivory carvings and ornaments.

### ***Recent CITES Resolution***

3. There are growing and intensive calls from the international community for strengthened measures to control the international and local ivory trade to ensure the survival of elephants is not threatened. In

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<sup>1</sup> Appendix I: Species which are highly endangered and threatened with extinction.  
Appendix II: Species which, unless trade is controlled, could become threatened with extinction.  
Appendix III: Species identified by any Party to CITES as being subject to regulation within its jurisdiction for the purpose of preventing or restricting exploitation, and as needing the co-operation of other Parties in the control of trade.

the Seventeenth Meeting of the Conference of the Parties to CITES held in September and October 2016, the Parties adopted revisions to resolution<sup>2</sup> recommending that all Parties and non-Parties in whose jurisdiction a legal domestic market for ivory exists that is contributing to elephant poaching or illegal ivory trade, should take all necessary legislative, regulatory and enforcement measures to close their domestic markets for commercial trade in raw and worked ivory as a matter of urgency. The State Council of the People's Republic of China already announced that the commercial processing and sale of ivory in the Mainland will be banned by phases by the end of 2017. Hong Kong should also react promptly to give effect to the recommendation in the CITES resolution.

### ***Government's Commitment***

4. The 2016 Policy Address (PA) stated that the Government would kick start legislative procedures as soon as possible to ban the import and export of elephant hunting trophies and actively explore other appropriate measures, such as enacting legislation to further ban the import and export of ivory and phase out the local ivory trade, and imposing heavier penalties on the smuggling and illegal trading of endangered species. In the 2017 PA, the Government reaffirmed its commitment in this regard whilst stepping up cooperation with the Mainland's law enforcement agencies to combat the smuggling of endangered species.

## **LEGISLATIVE PROPOSALS**

### ***Three-step Plan***

5. On 21 December 2016, the Government announced a three-step plan to phase out local ivory trade as follows-

**Step 1:** Ban the import and re-export of all elephant hunting

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<sup>2</sup> Resolution CONF.10.10 (REV.COP17) on Trade in Elephant Specimens revised at the Seventeenth Meeting of the Conference of the Parties, Johannesburg, South Africa from 24 September to 4 October 2016.

trophies and those remaining post-Convention ivory items<sup>3</sup>, the import, export and re-export of which are currently permissible under CITES. This step will take effect on the first commencement date of the Amendment Bill. This step is directly related to the survival of elephants as it would discourage killing of live elephants, for example through sport hunting;

**Step 2:** Ban the import and re-export of pre-Convention ivory (save for antique ivory) and subject the commercial possession of pre-Convention ivory (save for antique ivory) in the local market to licensing control similar to the existing control on post-Convention ivory three months after the ban in Step 1. This step will further prevent possible laundering of illegal ivory and thus contribute to the conservation of wild elephants. It will also greatly help the enforcement agencies in their enforcement actions, as there is no longer a need to ascertain whether the ivory belongs to the pre-Convention or post-Convention types, and will send a clear signal to the international and local communities about the Government's commitment to the conservation of elephants; and

**Step 3:** Ban the possession for commercial purposes of all ivory (save for antique ivory) including pre-Convention ivory and post-Convention ivory by restricting the issue, etc. of a PL to only cases of exceptional circumstances. After implementation of this step, the local trade of all ivory (save for antique ivory) will be completely closed down. The total ban will take effect on 31 December 2021, which will have provided a grace period of around five years from the Government's announcement of the three-step plan on 21 December 2016. The length of the grace period has taken into account the need for the ban to take effect on a date after all PLs already issued before the Government's

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<sup>3</sup> They refer to individually marked and certified ekipa incorporated in finished jewellery of the population of Namibia, and ivory carvings of the population of Zimbabwe, when being imported, exported or re-exported for non-commercial purposes.

announcement have expired<sup>4</sup> and to allow a reasonable period of time for the ivory traders to undergo business transformation.

### Exceptions

6. Under all the three steps above, the current exceptions permitted under CITES which are limited to specific and stringent circumstances including scientific studies, education, law enforcement as well as personal or household effects (except for tourist souvenirs) will continue to be in force. In addition, under Steps 2 and 3, the trade of “antique ivory” will continue to be allowed. The proposed arrangement is in line with international practice and will not adversely affect our measures to conserve elephants.

### Other licensing arrangements

7. Possession of ivory for non-commercial purposes is currently exempted from the licensing requirement. An owner who wishes to possess such ivory for commercial purposes has to apply for a PL. To pave the way for a total ban on the local ivory trade on 31 December 2021, we propose in the Amendment Bill that any application for a PL (thereby switching the use of ivory from non-commercial to commercial purposes) will not be approved for post-Convention ivory upon commencement of Step 1, and pre-Convention ivory upon commencement of Step 2, unless the ivory is covered by a valid PL issued before the commencement of the respective steps. Besides, re-export of pre-Convention ivory currently requires a Licence to Re-export (RL) which is valid for six months. To prepare for the ban on re-export of pre-Convention ivory in Step 2, we propose shortening the validity periods of newly issued / renewed RLs to tie in with the commencement of Step 2 which is proposed to take effect three months after the commencement of Step 1.

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<sup>4</sup> Currently, the validity period of a PL is five years. According to Section 26(1) of the Ordinance, the Director of Agriculture, Fisheries and Conservation (the Director) may only cancel a licence that is issued under Section 23 or extended, renewed or varied under Section 24 of the Ordinance if (a) any condition of the licence is contravened; or (b) the Director is satisfied that the licence was issued, extended, renewed or varied as a result of a false representation of any fact made by the applicant or an unlawful act of the applicant. The Director has no legal power to cancel a valid PL unless the above conditions are met. In view of the above, all recently renewed/ issued PLs are set to expire in the year of 2021 to tie in with the implementation of Step 3.

### ***Proposed Increase in Penalties***

8. In order to provide a sufficiently strong deterrent against illicit wildlife trade including ivory, and to send a clear message to the international and local communities that the Government is committed to the protection of endangered species and to combating wildlife trafficking, we propose to increase the penalties under the Ordinance by the Amendment Bill.

### **Current penalties**<sup>5</sup>

9. Currently, a person committing an offence with respect to the illegal import, introduction from the sea, export, re-export or possession of Appendix I species is liable on conviction to a fine at level 6 (i.e. \$100,000) and imprisonment for one year. Higher penalties are currently imposed for offences relating to specimens of Appendix I species committed **for commercial purposes**, i.e. a fine of \$5,000,000 and imprisonment for two years. For Appendices II and III species, a person committing an offence with respect to illegal import, introduction from the sea, export, re-export or possession of them is liable on conviction to a fine at level 5 (i.e. \$50,000) and to imprisonment for six months. If the court is satisfied that the act in respect of the offence was carried out for commercial purposes, the convicted person is liable to a fine of \$500,000 and to imprisonment for one year.

### **Proposed penalties**

10. To ensure that the penalties under the Ordinance will provide the necessary deterrent against illicit wildlife trade, it is proposed to impose uniform penalties for both commercial and non-commercial summary offences. We propose that a fine of \$5,000,000 and two years of imprisonment will be imposed for summary offences concerning Appendix I species; and a fine of \$500,000 and one year of imprisonment for summary offences concerning Appendices II and III species. Separately, we propose to promulgate a new set of penalties for offences convicted on indictment. We propose in the Amendment Bill that a fine of \$10,000,000 and imprisonment for ten years be imposed for indictable offences concerning Appendix I species; and a fine of \$1,000,000 and

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<sup>5</sup> The penalties mentioned are maximum penalties.

imprisonment for seven years be imposed for indictable offences concerning Appendices II and III species. We also propose that the increased penalties take effect on the same day as Step 1 above. Subject to passage of the Amendment Bill, the increased penalties will apply to all scheduled species under the Ordinance in addition to elephants. A summary of the existing and proposed penalties under the Ordinance is set out at **Annex B**.

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### *Compensation Issues*

11. The Government considers that no compensation should be made to affected parties. According to the findings of the ivory trade survey (**Annex C**) conducted by the AFCD from February to April in 2016, many ivory traders have already undergone business transformation or switched to the trading of other commodities not under CITES control such as mammoth ivory. Therefore, the three-step plan is unlikely to have any significant impact on the already inactive ivory trade or lead to immediate cessation of business of the trade. Moreover, we have given advance alert (as early as in March 2016) to the trade regarding the proposed measures. By the time when the total ban of local ivory trade takes effect (i.e. 31 December 2021), a grace period of five years will have been provided to allow the traders to undergo business transformation. Furthermore, we consider that the proposed ivory trade ban is justifiable on the grounds that such measures aim to address the international and public concerns over the survival of elephants which are under imminent threat of extinction. It is also necessary in light of the latest trend of elephant poaching and ivory smuggling. We need to send a strong signal to the international community including the people who are involved in illegal elephant poaching that Hong Kong is determined to close its local ivory market in order to stop such poaching activities at source. This is also in line with the international call for closure of all domestic markets for ivory in the world.

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12. Separately, we consider that re-employment training may be provided to affected ivory craftsmen who are skillful workers specialized in ivory crafting. It is our understanding that there are less than 100 ivory craftsmen in Hong Kong at present. Meanwhile, AFCD is carrying out a survey to ascertain the assistance and training needs

required by the ivory craftsmen.

## **OTHER OPTIONS**

13. There are growing concerns, both at the international and local levels, over the poaching of elephants in Africa and the smuggling of ivory. Various cities and countries, as well as the Central People's Government, have already taken steps to phase out the ivory trade. With a view to taking forward Government's commitment in the 2016 PA and the three-step plan announced in December 2016, there is no viable alternative but to amend the Ordinance with this Amendment Bill.

## **THE AMENDMENT BILL**

14. The key provisions of the Amendment Bill are as follows -

- (a) **Clause 1** specifies the commencement of the three steps of the proposed ivory ban, namely –
  - (i) for Step 1, on a day to be appointed by the Secretary for the Environment (“SEN”) by notice published in the Gazette,
  - (ii) for Step 2, on the expiry of three months beginning on the day appointed by SEN, and
  - (iii) for Step 3, on 31 December 2021.
- (b) **Clauses 4 to 15** amend Sections 5 to 16 of the Ordinance to enable prosecution of the offences on indictment, to revise the maximum penalties and to repeal the provisions related to higher penalties for offences committed for commercial purposes which are no longer necessary.
- (c) **Clauses 16 to 32** (except clauses 22, 23, 24, 28 and 30) provide for a stricter regulatory regime for elephant hunting trophies and ivory by introducing a new Schedule, namely Schedule 4, to modify the application of certain provisions



of the Ordinance and its subsidiary legislation<sup>6</sup> concerning licence application and exemptions. The modifications made by the new Schedule 4 are to be implemented in three steps as specified in (a) above. The ultimate goal of the stricter regulatory regime is to ban the import, re-export and commercial possession of all elephant hunting trophies and elephant ivory on 31 December 2021.

The new Schedule 4 also introduces a definition for “antique elephant ivory”, which is proposed to be defined as a piece of elephant ivory that had been removed from the wild and significantly altered from its natural state for jewellery, adornment, art, utility or musical instruments before 1 July 1925 (i.e. 50 years before CITES entered into force on 1 July 1975), and was acquired before that date by a person in this condition requiring no further carving, crafting or processing to effect its purpose.<sup>7</sup>

- (d) **Clauses 28 and 30** introduce minor amendments to the subsidiary legislation so that for the purposes of a control regime on the possession of scheduled species, the exemptions provided under section 7 of the Protection of Endangered Species of Animals and Plants (Exemption for Appendix I Species) Order (Cap. 586 sub. leg. A) and section 8 of the Protection of Endangered Species of Animals and Plants (Exemption for Appendices II and III Species) Order (Cap. 586 sub. leg. B) are also applicable to a person other than an individual (e.g. a company). Currently, only an individual can qualify for the exemptions.

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<sup>6</sup> The subsidiary legislation had been made under the Ordinance, i.e. the Protection of Endangered Species of Animals and Plants (Exemption for Appendix I Species) Order (Cap. 586 sub. leg. A) and the Protection of Endangered Species of Animals and Plants (Exemption for Appendices II and III Species) Order (Cap. 586 sub. leg. B) to enable the relevant parts of the CITES to have the force of law in Hong Kong.

<sup>7</sup> This definition is modelled on Article 2(w) of the Council Regulation (EC) No. 338/97 of the European Union.

## LEGISLATIVE TIMETABLE

15. The legislative timetable will be as follows –

Publication in the Gazette	2 June 2017
First Reading and commencement of Second Reading debate	14 June 2017
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

## IMPLICATIONS OF THE PROPOSAL

D 16. The proposal has financial, civil service, environmental, sustainability, economic and family implications as set out at **Annex D**. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. There are no competition and gender implications.

## CONSULTATION

17. Since 2015, the AFCD has been in close contact with the ivory trade on the proposal to tighten control over the local trade in ivory. The AFCD briefed the trade about the latest control on ivory in June 2015, and the three-step plan as well as its relevant arrangements in March, June and August 2016. While the ivory traders have no major comment on the ban in Step 1, many have raised their objections to Steps 2 and 3. We have explained to the ivory trade that the three-step plan is justifiable on the ground that such measures aim to address the international and public concerns over the survival of elephants (in particular, African elephants are under imminent threat of extinction), and are necessary in light of the latest trend of elephant poaching and ivory smuggling as well as the international call for closure of domestic markets for ivory. A grace period will be given to allow the ivory trade to undergo business transformation. On the other hand, green groups generally welcome and express support for the total ban of local ivory trade and the increase in

maximum penalties, but some are of the view that it takes too long to effect the total ban. Separately, consultation with the tourism industry in March and April 2016 confirmed that the proposed ban would unlikely have any significant impact on Hong Kong's tourism industry.

18. We presented the proposals to phase out the local trade in elephant ivory and to increase the penalties on smuggling of and illegal trade in endangered species to the LegCo Panel on Environmental Affairs ("EA Panel") on 22 February 2016, 27 June 2016, and 27 March 2017, and at the meetings of the Endangered Species Advisory Committee ("ESAC") on 12 April 2016 and 10 February 2017. The LegCo EA Panel has scheduled a meeting for 6 June 2017 to hear views and concerns from deputations.

## **PUBLICITY**

19. A press release will be issued upon the gazettal of the Amendment Bill. A Government spokesperson will be available beforehand to answer enquiries.

## **BACKGROUND**

20. CITES is an international treaty that has been implemented by some 180 countries (called Parties) since it first entered into force in 1975. CITES has been implemented in Hong Kong since 1976. CITES continues to apply to Hong Kong after 1 July 1997 through a diplomatic notification made by the CPG. The aim of CITES is to prevent species from becoming endangered or extinct because of international trade. CITES regulates more than 35,000 animal and plant species, including their parts and products, to ensure the international trade in them does not threaten their survival. CITES regulates international trade (both commercial and non-commercial) through a system of permits and certificates in which the required permits/certificates must accompany the species in question when leaving and entering a country. The Ordinance gives effect to CITES in Hong Kong. It provides that no person shall import, introduce from the sea, export, re-export or possess any endangered species, whether alive, dead, its parts or derivatives, except under and in accordance with a licence issued in advance by AFCD.

## **ENQUIRIES**

21. Enquiries in relation to this LegCo Brief can be directed to Mr. Elvis Au, Assistant Director (Nature Conservation and Infrastructure Planning), at 3509 8617.

**Environment Bureau**

**June 2017**

## Protection of Endangered Species of Animals and Plants (Amendment) Bill 2017

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# A BILL

## To

Amend the Protection of Endangered Species of Animals and Plants Ordinance and its subsidiary legislation to increase the penalties for offences relating to the regulation of scheduled species; to provide stricter regulation for elephant hunting trophies and elephant ivory; and to make minor amendments.

Enacted by the Legislative Council.

### Part 1

#### Preliminary

##### 1. Short title and commencement

- (1) This Ordinance may be cited as the Protection of Endangered Species of Animals and Plants (Amendment) Ordinance 2017.
- (2) Subject to subsections (3) and (4), this Ordinance comes into operation on a day to be appointed by the Secretary for the Environment by notice published in the Gazette.
- (3) The following provisions come into operation on the expiry of 3 months beginning on the day appointed under subsection (2)—
  - (a) sections 16(2), 18, 29(2) and 32(2);
  - (b) section 27 (except subsections (9), (11) and (12)).
- (4) Section 27(9), (11) and (12) comes into operation on 31 December 2021.

##### 2. Enactments amended

The enactments specified in Parts 2, 3 and 4 are amended as set out in those Parts.

## Part 2

### Amendments to Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586)

#### 3. Section 2 amended (interpretation)

(1) Section 2(1)—

**Add in alphabetical order**

*“elephant hunting trophy (象狩獵品)* has the meaning given  
by section 1(1) of Schedule 4;

*elephant ivory (象牙)* has the meaning given by section 1(1)  
of Schedule 4;”.

(2) After section 2(4)—

**Add**

“(5) A note located in the text of this Ordinance is provided  
for information only and has no legislative effect.”.

#### 4. Section 5 amended (restriction on import of specimens of Appendix I species)

Section 5(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

(a) on summary conviction—to a fine of \$5,000,000  
and to imprisonment for 2 years; or

(b) on conviction on indictment—to a fine of  
\$10,000,000 and to imprisonment for 10 years.”.

#### 5. Section 6 amended (restriction on introduction from the sea of specimens of Appendix I species)

Section 6(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

(a) on summary conviction—to a fine of \$5,000,000  
and to imprisonment for 2 years; or

(b) on conviction on indictment—to a fine of  
\$10,000,000 and to imprisonment for 10 years.”.

#### 6. Section 7 amended (restriction on export of specimens of Appendix I species)

Section 7(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

(a) on summary conviction—to a fine of \$5,000,000  
and to imprisonment for 2 years; or

(b) on conviction on indictment—to a fine of  
\$10,000,000 and to imprisonment for 10 years.”.

#### 7. Section 8 amended (restriction on re-export of specimens of Appendix I species)

Section 8(3)—

**Repeal**

everything after “is liable”



**Substitute**

“—

- (a) on summary conviction—to a fine of \$5,000,000 and to imprisonment for 2 years; or
- (b) on conviction on indictment—to a fine of \$10,000,000 and to imprisonment for 10 years.”.

**8. Section 9 amended (restriction on possession or control of specimens of Appendix I species)**

Section 9(2)—

**Repeal**

everything after “is liable”

**Substitute**

“—

- (a) on summary conviction—to a fine of \$5,000,000 and to imprisonment for 2 years; or
- (b) on conviction on indictment—to a fine of \$10,000,000 and to imprisonment for 10 years.”.

**9. Section 10 repealed (higher penalties for offences relating to specimens of Appendix I species committed for commercial purposes)**

Section 10—

**Repeal the section.**

**10. Section 11 amended (restriction on import of specimens of Appendix II species and Appendix III species)**

Section 11(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

- (a) on summary conviction—to a fine of \$500,000 and to imprisonment for 1 year; or
- (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 7 years.”.

**11. Section 12 amended (restriction on introduction from the sea of specimens of Appendix II species)**

Section 12(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

- (a) on summary conviction—to a fine of \$500,000 and to imprisonment for 1 year; or
- (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 7 years.”.

**12. Section 13 amended (restriction on export of specimens of Appendix II species and Appendix III species)**

Section 13(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

- (a) on summary conviction—to a fine of \$500,000 and to imprisonment for 1 year; or

- (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 7 years.”.

**13. Section 14 amended (restriction on re-export of specimens of Appendix II species and Appendix III species)**

Section 14(3)—

**Repeal**

everything after “is liable”

**Substitute**

“—

- (a) on summary conviction—to a fine of \$500,000 and to imprisonment for 1 year; or
- (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 7 years.”.

**14. Section 15 amended (restriction on possession or control of specimens of Appendix II species)**

Section 15(2)—

**Repeal**

everything after “is liable”

**Substitute**

“—

- (a) on summary conviction—to a fine of \$500,000 and to imprisonment for 1 year; or
- (b) on conviction on indictment—to a fine of \$1,000,000 and to imprisonment for 7 years.”.

**15. Section 16 repealed (higher penalties for offences relating to specimens of Appendix II species and Appendix III species committed for commercial purposes)**

Section 16—

**Repeal the section.**

**16. Section 17 amended (import of pre-Convention specimens)**

(1) At the end of section 17—

**Add**

“Note—

For a specimen that is an elephant hunting trophy, see section 2 of Schedule 4, which disapplies this section.”.

(2) Section 17, Note, after “elephant hunting trophy”—

**Add**

“or elephant ivory”.

**17. Section 18 amended (import of specimens of Appendix II species)**

At the end of section 18—

**Add**

“Note—

For a specimen that is an elephant hunting trophy or elephant ivory, see section 3 of Schedule 4, which disapplies this section.”.

**18. Section 20 amended (possession or control of pre-Convention specimens)**

At the end of section 20—

**Add**

“Note—

For a specimen that is elephant ivory, see section 9A of Schedule 4, which limits the application of this section to antique elephant ivory only.”.

**19. Section 23 amended (issue of licences)**

At the end of section 23—

**Add**

“Note—

For a licence in respect of a specimen that is an elephant hunting trophy or elephant ivory, see sections 4, 6 and 10 of Schedule 4, which restrict the Director’s power to approve an application under this section.”.

**20. Section 24 amended (extension, renewal and variation of licences)**

At the end of section 24—

**Add**

“Note—

For a licence in respect of a specimen that is an elephant hunting trophy or elephant ivory, see sections 4, 6 and 10 of Schedule 4, which restrict the Director’s power to approve an application under this section.”.

**21. Part 5A added**

After Part 5—

**Add**

**“Part 5A**

**Special Provisions for Elephant Hunting Trophies and Elephant Ivory**

**26A. Specified provisions subject to Schedule 4**

- (1) A specified provision applies subject to Schedule 4 in relation to a specimen that is an elephant hunting trophy or elephant ivory.
- (2) For the purpose of providing information on any provision in Schedule 4 that relates to a specified provision, the Secretary may, by order published in the Gazette, amend the specified provision by adding or amending a note.

- (3) In this section—

*specified provision* (指明條文) means any of the following provisions—

- (a) Part 4;
- (b) section 23;
- (c) section 24;
- (d) the Protection of Endangered Species of Animals and Plants (Exemption for Appendix I Species) Order (Cap. 586 sub. leg. A);
- (e) the Protection of Endangered Species of Animals and Plants (Exemption for Appendices II and III Species) Order (Cap. 586 sub. leg. B).”.

**22. Section 36 amended (power to require identification)**

Section 36(2)(b), English text—

**Repeal**

“requirement”

**Substitute**

“requirement”.

**23. Part 9 heading substituted**

Part 9, heading—

**Repeal the heading**

**Substitute**

**“Part 9**

**Transitional Provisions”.**

**24. Section 55A added**

Part 9, after section 55—

**Add**

**“55A. Transitional provisions relating to Protection of Endangered Species of Animals and Plants (Amendment) Ordinance 2017**

- (1) This section applies in place of section 101J of the Criminal Procedure Ordinance (Cap. 221).
- (2) If a person commits an offence under section 5, 6, 7, 8 or 9 before the amendment date and is convicted of the offence on or after that date, the person is liable to the penalties under Part 2 as in force immediately before that date.
- (3) If a person commits an offence under section 11, 12, 13, 14 or 15 before the amendment date and is convicted of the offence on or after that date, the person is liable to

the penalties under Part 3 as in force immediately before that date.

(4) In this section—

*amendment date* (修訂日期) means the date on which Parts 2 and 3 are amended by the Protection of Endangered Species of Animals and Plants (Amendment) Ordinance 2017 ( of 2017).”.

**25. Schedule 3 amended (Convention instruments)**

Schedule 3, after “[ss. 2, 4, 19 & 48(1)]—

**Add**

“& Sch. 4”.

**26. Schedule 4 added**

After Schedule 3—

**Add**

**“Schedule 4**

[ss. 2 & 26A]

**Stricter Regulation of Elephant Hunting Trophies and Elephant Ivory**

**Part 1**

**Interpretation**

**1. Interpretation**

(1) In this Schedule—

**Cap. 586A** (《第 586A 章》) means the Protection of Endangered Species of Animals and Plants (Exemption for Appendix I Species) Order (Cap. 586 sub. leg. A);

**Cap. 586B** (《第 586B 章》) means the Protection of Endangered Species of Animals and Plants (Exemption for Appendices II and III Species) Order (Cap. 586 sub. leg. B);

**elephant** (象) means an animal of the species *Elephas maximus* or *Loxodonta africana*;

**elephant hunting trophy** (象狩獵品) means a whole elephant, or a part or derivative of an elephant, (*item*) that—

- (a) is raw or processed;
- (b) was acquired by a person through hunting; and
- (c) is being imported, exported or re-exported by or on behalf of the person as part of the transfer of the item from its place of origin to the person's usual place of residence;

**elephant ivory** (象牙) means the ivory of an elephant;

**pre-Convention** (《公約》前標本)—see subsection (2).

- (2) For the purposes of this Schedule, a specimen is pre-Convention if it was acquired before the provisions of the Convention applied to it (as determined in accordance with paragraph 6 of Part 2 of Schedule 3).

## Part 2

### Import

#### 2. Import of pre-Convention specimens

Section 17 does not apply to the import of a specimen that is an elephant hunting trophy.

#### 3. Import of specimens of Appendix II species

Section 18 does not apply to the import of a specimen that is an elephant hunting trophy or elephant ivory.

#### 4. Issue, extension, renewal and variation of licences for import

(1) For a specimen that is an elephant hunting trophy, the Director may approve an import licence application only if the Director is satisfied that there are exceptional circumstances justifying the approval.

(2) For a specimen that is elephant ivory, the Director may approve an import licence application only if the Director is satisfied that—

- (a) the specimen is pre-Convention;
- (b) the specimen is intended for use for scientific, educational or law enforcement purposes; or
- (c) there are exceptional circumstances justifying the approval.

(3) In this section—

**import licence application** (進口許可證申請), in relation to a specimen, means an application made under section 23 or 24 in respect of a licence for the import of the specimen.

#### 5. Import of specimens of Appendix II species as personal or household effects

(1) Section 5 of Cap. 586B does not apply to the import of a specimen that is an elephant hunting trophy.

(2) Section 5(4) of Cap. 586B does not apply to the import of a specimen that is elephant ivory.

### Part 3

#### Re-export

**6. Issue, extension, renewal and variation of licences for re-export**

- (1) For a specimen that is an elephant hunting trophy, the Director may approve a re-export licence application only if the Director is satisfied that there are exceptional circumstances justifying the approval.
- (2) For a specimen that is elephant ivory, the Director may approve a re-export licence application only if the Director is satisfied that—
  - (a) the specimen is pre-Convention;
  - (b) the specimen is intended for use for scientific, educational or law enforcement purposes; or
  - (c) there are exceptional circumstances justifying the approval.

(3) In this section—

*re-export licence application* (再出口許可證申請), in relation to a specimen, means an application made under section 23 or 24 in respect of a licence for the re-export of the specimen.

**7. Re-export of specimens of Appendix I species as personal or household effects acquired pre-Convention**

Section 6 of Cap. 586A does not apply to the re-export of a specimen that is an elephant hunting trophy.

**8. Re-export of specimens of Appendix II species as personal or household effects**

- (1) Section 5 of Cap. 586B does not apply to the re-export of a specimen that is an elephant hunting trophy.
- (2) Section 5(4) of Cap. 586B does not apply to the re-export of a specimen that is elephant ivory.

**9. Re-export of specimens of Appendix II species as personal or household effects acquired pre-Convention**

Section 7 of Cap. 586B does not apply to the re-export of a specimen that is an elephant hunting trophy.

### Part 4

#### Possession or Control

**10. Issue, extension, renewal and variation of licences for possession or control**

- (1) For a specimen that is elephant ivory, the Director may approve a possession licence application only if the Director is satisfied that—
  - (a) the specimen is pre-Convention;
  - (b) the specimen is covered by a specified licence that is valid on the date of the application; or
  - (c) there are exceptional circumstances justifying the approval.

(2) In this section—

*Amendment Ordinance* (《修訂條例》) means the Protection of Endangered Species of Animals and Plants (Amendment) Ordinance 2017 ( of 2017);

*possession licence application* (管有許可證申請), in relation to a specimen, means an application made under section 23 or 24 in respect of a licence for the possession or control of the specimen;

*specified licence* (指明許可證), in relation to a specimen, means a licence for the possession or control of the specimen that was issued under section 23 before the commencement date of section 26 of the Amendment Ordinance.”.

27. **Schedule 4 amended (stricter regulation of elephant hunting trophies and elephant ivory)**

(1) Schedule 4, section 1(1)—

**Add in alphabetical order**

“*antique elephant ivory* (古董象牙)—

(a) means a piece of elephant ivory that was, before 1 July 1925—

(i) removed from the wild;

(ii) significantly altered from its natural state for jewellery, adornment, art, utility or musical instruments; and

(iii) acquired by a person after the alteration in such altered state that required no further carving, crafting or processing to effect its purpose; and

(b) does not include an elephant hunting trophy;”.

(2) Schedule 4, section 2, after “elephant hunting trophy”—

**Add**

“or elephant ivory”.

(3) Schedule 4, section 4(2)(a)—

**Repeal**

“pre-Convention”

**Substitute**

“antique elephant ivory”.

(4) Schedule 4, section 6(2)(a)—

**Repeal**

“pre-Convention”

**Substitute**

“antique elephant ivory”.

(5) Schedule 4, section 7, after “elephant hunting trophy”—

**Add**

“or elephant ivory”.

(6) Schedule 4, section 9, after “elephant hunting trophy”—

**Add**

“or elephant ivory”.

(7) Schedule 4, Part 4, before section 10—

**Add**

**“9A. Possession or control of pre-Convention specimens**

Section 20 applies to a person’s possession or control of a specimen that is elephant ivory only if the person also proves to the satisfaction of the Director that the specimen is antique elephant ivory.”.

(8) Schedule 4, section 10(1)—

**Repeal paragraph (a).**

(9) Schedule 4, section 10(1)—

**Repeal paragraph (b).**

- (10) Schedule 4, section 10(2)—

**Repeal the definition of *specified licence***

**Substitute**

“*specified licence* (指明許可證), in relation to a specimen, means a licence for the possession or control of the specimen that was issued under section 23—

- (a) if the specimen is pre-Convention—before the commencement date of section 27(10) of the Amendment Ordinance; or
- (b) if the specimen is not pre-Convention—before the commencement date of section 26 of the Amendment Ordinance.”.

- (11) Schedule 4, English text, section 10(2), definition of *possession licence application*—

**Repeal the semicolon**

**Substitute a full stop.**

- (12) Schedule 4, section 10(2)—

- (a) definition of *Amendment Ordinance*;
- (b) definition of *specified licence*—

**Repeal the definitions.**

### Part 3

#### Amendments to Protection of Endangered Species of Animals and Plants (Exemption for Appendix I Species) Order (Cap. 586 sub. leg. A)

28. **Section 4 amended (meaning of personal or household effects)**

- (1) Section 4—

**Renumber the section as section 4(1).**

- (2) Section 4(1)—

**Repeal**

“shall be treated as part of the personal or household effects of a person”

**Substitute**

“is part of the personal or household effects of a person who is an individual”.

- (3) After section 4(1)—

**Add**

“(2) Moreover, for the purposes of section 7, a specimen owned or possessed by a person other than an individual for non-commercial purposes only is taken to be part of the personal or household effects of the person.”.

29. **Section 6 amended (exemption in respect of export or re-export of personal or household effects acquired pre-Convention)**

- (1) At the end of section 6—

**Add**



**“Note—**

For a specimen that is an elephant hunting trophy, see section 7 of Schedule 4 to the Ordinance, which disapplies this section.”.

- (2) Section 6, Note, after “elephant hunting trophy”—

**Add**

“or elephant ivory”.

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**Part 4**

**Amendments to Protection of Endangered Species of Animals and Plants (Exemption for Appendices II and III Species) Order (Cap. 586 sub. leg. B)**

- 30. Section 4 amended (meaning of personal or household effects)**

- (1) Section 4—

**Renumber the section as section 4(1).**

- (2) Section 4(1)—

**Repeal**

“shall be treated as part of the personal or household effects of a person”

**Substitute**

“is part of the personal or household effects of a person who is an individual”.

- (3) After section 4(1)—

**Add**

“(2) Moreover, for the purposes of section 8, a specimen owned or possessed by a person other than an individual for non-commercial purposes only is taken to be part of the personal or household effects of the person.”.

- 31. Section 5 amended (exemption in respect of import, etc. of Appendix II species as personal or household effects)**

At the end of section 5—

**Add**

**“Note—**

For a specimen that is an elephant hunting trophy or elephant ivory, see sections 5 and 8 of Schedule 4 to the Ordinance, which disapply—

- (a) for an elephant hunting trophy—this section; and
- (b) for elephant ivory—subsection (4).”

**32. Section 7 amended (exemption in respect of export or re-export of personal or household effects acquired pre-Convention)**

- (1) At the end of section 7—

**Add**

**“Note—**

For a specimen that is an elephant hunting trophy, see section 9 of Schedule 4 to the Ordinance, which disapplies this section.”

- (2) Section 7, Note, after “elephant hunting trophy”—

**Add**

“or elephant ivory”.

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**Explanatory Memorandum**

The main object of this Bill is to amend the Protection of Endangered Species of Animals and Plants Ordinance (Cap. 586) (**Ordinance**) and its subsidiary legislation to—

- (a) increase the penalties for offences relating to the regulation of scheduled species under the Ordinance; and
- (b) provide stricter regulation for elephant hunting trophies and elephant ivory.

2. Clause 1 sets out the short title and provides for commencement.

**Amendments Increasing Penalties**

- 3. Clauses 4 to 9 amend sections 5 to 10 of the Ordinance to increase the penalties for offences involving Appendix I species.
- 4. Currently, such offences (provided under sections 5 to 9 of the Ordinance) are punishable on summary conviction by the maximum penalties of a fine of \$100,000 and imprisonment for 1 year. Under section 10 of the Ordinance, higher penalties (up to a fine of \$5,000,000 and imprisonment for 2 years) may be imposed if the offence is committed for commercial purposes.
- 5. Clauses 4 to 8 amend sections 5 to 9 of the Ordinance to enable prosecution of the offences on indictment and revise the maximum penalties to—
  - (a) if convicted summarily—a fine of \$5,000,000 and imprisonment for 2 years; or
  - (b) if convicted on indictment—a fine of \$10,000,000 and imprisonment for 10 years.
- 6. In view of the revised maximum penalties, which apply regardless of whether commercial purposes are involved, clause 9 repeals section 10 of the Ordinance which is no longer necessary.

7. Clauses 10 to 15 amend sections 11 to 16 of the Ordinance to increase the penalties for offences involving Appendix II or III species, by ways similar to clauses 4 to 9. The revised maximum penalties for such offences are—
  - (a) if convicted summarily—a fine of \$500,000 and imprisonment for 1 year; or
  - (b) if convicted on indictment—a fine of \$1,000,000 and imprisonment for 7 years.
8. Clause 24 adds a new section 55A to the Ordinance to provide for transitional arrangements in relation to the amendment of penalties. The new section 55A, which applies in place of section 101J of the Criminal Procedure Ordinance (Cap. 221), makes it clear that if an offence is committed before the amendment, the whole set of pre-amended penalties, including the higher penalties for offences committed for commercial purposes under sections 10 and 16 of the Ordinance, would apply.
9. Clause 23 substitutes the heading of Part 9 of the Ordinance in view of the addition of new section 55A under that Part.

**Amendments Providing Stricter Regulation for Elephant Hunting Trophies and Elephant Ivory**

10. Clauses 16 to 32 (except clauses 22, 23, 24, 28 and 30) provide for a stricter regulatory regime for elephant hunting trophies and elephant ivory (*target specimens*).
11. Currently, the import, re-export, possession or control of a specimen of elephant (which is an Appendix I or II species) is, alongside a specimen of other scheduled species, prohibited except where the act is covered by a licence issued under the Ordinance or where an exemption under the Ordinance or its subsidiary legislation applies.

12. Clause 21 adds a new Part 5A (containing a new section 26A) to the Ordinance to provide, specifically for target specimens, that the provisions under the Ordinance and its subsidiary legislation concerning licence application and exemptions (*specified provisions*) are subject to a new Schedule 4.
13. The new Schedule 4 (added to the Ordinance by clause 26) modifies the application of the specified provisions in relation to target specimens. It is divided into 4 Parts—
  - (a) Part 1 provides for interpretation.
  - (b) Part 2 provides that certain exemptions regarding import do not apply to the import of target specimens. The issue, renewal, etc. of a licence for the import of target specimens are also restricted to limited circumstances.
  - (c) Similarly, Part 3 deals with the re-export of target specimens, while Part 4 deals with the possession or control of target specimens.
14. The modifications made by the new Schedule 4 are to be implemented in 3 stages. For this, the new Schedule 4 added by clause 26 represents the first stage (*stage 1*), while clause 27 contains provisions that amend the new Schedule 4 to implement the second stage (*stage 2*) and the third stage (*stage 3*). Below is an overview of the modifications at the different stages—

Section in new Schedule 4	Provision modified <small>Note 1</small>	Modification made	Specimen targeted	Starting from
<b>Import</b>				
Section 2	Section 17 of Cap. 586	Exemption not applicable	Elephant hunting trophy	Stage 1
			Elephant ivory	Stage 2
Section 3	Section 18 of Cap. 586	Exemption not applicable	Elephant hunting trophy	Stage 1
			Elephant ivory	Stage 1

Section in new Schedule 4	Provision modified <small>Note 1</small>	Modification made	Specimen targeted	Starting from
Section 4	Sections 23 and 24 of Cap. 586	Licence application only approved in limited circumstances	Elephant hunting trophy	Stage 1
			Elephant ivory— • Post-Convention (i.e. not pre-Convention)	Stage 1
			• Pre-Convention <small>Note 2</small>	Stage 2
Section 5(1)	Section 5 of Cap. 586B	Exemption not applicable	Elephant hunting trophy	Stage 1
Section 5(2)	Section 5(4) of Cap. 586B	Exemption not applicable	Elephant ivory	Stage 1
<b>Re-export</b>				
Section 6	Sections 23 and 24 of Cap. 586	Licence application only approved in limited circumstances	Elephant hunting trophy	Stage 1
			Elephant ivory— • Post-Convention (i.e. not pre-Convention)	Stage 1
			• Pre-Convention <small>Note 2</small>	Stage 2
Section 7	Section 6 of Cap. 586A	Exemption not applicable	Elephant hunting trophy	Stage 1
			Elephant ivory	Stage 2
Section 8(1)	Section 5 of Cap. 586B	Exemption not applicable	Elephant hunting trophy	Stage 1
Section 8(2)	Section 5(4) of Cap. 586B	Exemption not applicable	Elephant ivory	Stage 1
Section 9	Section 7 of Cap. 586B	Exemption not applicable	Elephant hunting trophy	Stage 1
			Elephant ivory	Stage 2
<b>Possession or control</b>				
Section 9A	Section 20 of Cap. 586	Exemption not applicable	Elephant ivory <small>Note 2</small>	Stage 2

Section in new Schedule 4	Provision modified <small>Note 1</small>	Modification made	Specimen targeted	Starting from
Section 10	Sections 23 and 24 of Cap. 586	Licence application only approved in limited circumstances	Elephant ivory— • Post-Convention <small>Notes 3, 5</small> (i.e. not pre-Convention)	Stage 1
			• Pre-Convention <small>Notes 4, 5</small>	Stage 2

**Notes—**

1. In this column and paragraph 19 of this Explanatory Memorandum—
    - (a) *Cap. 586* stands for the Ordinance;
    - (b) *Cap. 586A* stands for the Protection of Endangered Species of Animals and Plants (Exemption for Appendix I Species) Order (Cap. 586 sub. leg. A); and
    - (c) *Cap. 586B* stands for the Protection of Endangered Species of Animals and Plants (Exemption for Appendices II and III Species) Order (Cap. 586 sub. leg. B).
  2. Except for antique elephant ivory.
  3. Except for a specimen that is covered by a valid licence issued before stage 1.
  4. Except for a specimen that is covered by a valid licence issued before stage 2.
  5. The exceptions for a specimen covered by a valid licence as mentioned in Notes 3 and 4 will be removed at stage 3.
15. The 3 stages are to commence as follows—
- (a) stage 1—on a day to be appointed by the Secretary for the Environment (clause 1(2));
  - (b) stage 2—on the expiry of 3 months beginning on the commencement date of stage 1 (clause 1(3)); and
  - (c) stage 3—on 31 December 2021 (clause 1(4)).
16. In order to draw the reader's attention to the sections in the new Schedule 4 that modify the specified provisions, notes are added to the provisions modified to give information on that. In particular—

- (a) clauses 16 to 20 add notes to sections 17, 18, 20, 23 and 24 of the Ordinance; and
  - (b) clauses 29, 31 and 32 add notes to those provisions contained in subsidiary legislation under the Ordinance.
17. For the same purpose, the new section 26A (added by clause 21) empowers the Secretary for the Environment to update the notes in the specified provisions by order published in the Gazette.

**Minor Amendments**

18. Clause 22 amends the English text of section 36 of the Ordinance to rectify a misspelling.
19. Clause 28 amends section 4 of Cap. 586A so that for the purposes of section 7 of Cap. 586A, the concept of “personal or household effects” is also applicable to a person other than an individual. Similarly, clause 30 amends section 4 of Cap. 586B to incorporate the same concept for the purposes of section 8 of Cap. 586B.

**SUMMARY OF THE EXISTING AND PROPOSED PENALTIES UNDER THE  
PROTECTION OF ENDANGERED SPECIES OF ANIMALS AND PLANTS ORDINANCE, CAP. 586**

	Existing Penalties		Proposed Penalties	
	for non-commercial purposes	for commercial purposes	for summary offences	for indictable offences
<b>Appendix I species</b>	A fine at level 6 (\$100,000) and imprisonment for 1 year	A fine of \$5,000,000 and imprisonment for 2 years	A fine of \$5,000,000 and imprisonment for 2 years	A fine of \$10,000,000 and imprisonment for 10 years
<b>Appendix II and III species</b>	A fine at level 5 (\$50,000) and imprisonment for 6 months	A fine of \$500,000 and imprisonment for 1 year	A fine of \$500,000 and imprisonment for 1 year	A fine of \$1,000,000 and imprisonment for 7 years

## **FINDINGS OF IVORY TRADE SURVEY**

The Agriculture, Fisheries and Conservation Department (AFCD) conducted an ivory trade survey from February to April 2016. The findings are summarised in the following paragraphs.

2. Regarding post-Convention ivory, there were, as at January 2016, about 370 licensed stocks of post-Convention ivory and they amounted to about 77 tonnes. 54% of these stocks (200 nos.) had been covered in the survey. The majority (76%) of these 200 stocks were small stocks covering less than 100 kg of ivory. Many (67%) of these 200 stocks were kept at residential premises with remote chance for sale. Over the past five years, there were only some small-scale (i.e. less than 100 kg) commercial transactions or processing activities in a small proportion (20%) of these 200 stocks. The finding suggested that the ivory trade was generally inactive.

3. Moreover, there is no evidence to suggest that post-Convention ivory constitutes an essential part of the licensees' business in general. Out of the 200 stock holders covered in the survey, AFCD had conducted more detailed interviews with 88 licensees. The majority (88%) of them expressed that their businesses were not related to ivory at all. Most of these 88 licensees (74%) were just storing the stocks and would trade the ivory only when the opportunity arises. For the few licensees (9 nos.) who claimed that ivory constituted a part of their business, all of them also traded in other commodities such as mammoth ivory. Only two traders claimed that they were trading ivory solely. However, the stock quantity of one of them remained unchanged for the past five years so his claim was doubtful. For the remaining trader, he had reported sale and consumption of stock in the past 5 years with an annual consumption rate of 16.5 kg on average. He had about 57 kg ivory remained and AFCD's assessment is that he should be able to dispose of his stock in about 3.5 years from now based on the aforesaid annual consumption rate.

4. Possession of pre-Convention ivory for commercial purpose is exempted from the licensing control under the Protection of Endangered Animals and Plants Ordinance, Cap. 586. According to AFCD's record, there were about 100 companies or individuals who had imported or re-exported pre-Convention ivory in the past three years. To study the trade pattern of pre-Convention ivory, AFCD interviewed 28 of them. The results of AFCD's interviews showed that more than half (53%) of these importers or re-exporters were in fact not involved in the pre-Convention ivory business. For example, they imported or re-exported pre-Convention ivory for non-commercial purposes like personal collection. For the majority (61%) of those who traded pre-Convention ivory as part of their business, pre-Convention ivory constituted less than half of their business. Only one trader was fully committed in the pre-Convention ivory trade but he expressed that he was actively exploring other alternatives for business transformation irrespective of the proposed ivory phase-out plan.



## IMPLICATIONS OF THE AMENDMENT BILL

### Financial and Civil Service Implications

Additional resources have been provided for AFCD to strengthen regulatory and inspection regimes, including stepping up shop inspections, enforcement operations and undercover investigation.

2. We are working out the details of the re-employment training to be provided to affected craftsmen in the ivory trade, as mentioned in paragraph 12 of the paper. The exact financial implications of the re-employment training would depend on the details to be discussed with the trade. ENB/AFCD will endeavour to absorb the financial implications arising from the training and will seek, if necessary, additional resources in accordance with the established mechanism.

### Environmental Implication

3. The Amendment Bill has no adverse environmental implications but will be conducive to the survival of elephants.

### Sustainability Implication

4. The sustainability assessment revealed some negative impact arising from the loss of jobs for ivory craftsmen. However, the number of ivory craftsmen in the market is very small, and the impact if any could to some extent be mitigated through the re-employment training to be provided.

### Economic Implication

5. On economic implications, the total ban on the local trade of ivory will have an impact on the ivory trade. However, as revealed in the trade survey conducted by the AFCD (**Annex C**), the sale of ivory in general does not constitute a substantial part of the traders' business. AFCD's meetings with representatives of the ivory trade also revealed

that many ivory traders had already undergone business transformation or switched to the trading of other commodities not under CITES control such as mammoth ivory. Moreover, a five-year grace period will be provided to allow the traders to undergo business transformation. As such, we are of the view that the possible impacts on the ivory trade are unlikely to be significant. Also, as the share of ivory trade in Hong Kong's total merchandise trade is not significant, the proposed ban should not have any significant impact on the overall economy.

6. We are aware that some ivory craftsmen may be affected as a result of the proposed ivory trade ban. To mitigate the possible impact, as mentioned in paragraph 12 of the paper, AFCD will liaise with the relevant Government departments and other related bodies to explore suitable re-employment training courses to assist the affected ivory craftsmen to switch to other employment.

#### Family Implication

7. On family implication, the proposed ban may have implication to the families of the ivory craftsmen who are affected as a result of the ban. To mitigate the possible impact, as mentioned in paragraph 12 of the paper, re-employment training will be provided to affected ivory craftsmen in the ivory trade.