

立法會
Legislative Council

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Panel on Economic Development
Meeting on 28 November 2022

Information note on
Enhancing the Control and Regulation for Transshipment of
Alternative Smoking Products

The Smoking (Public Health) (Amendment) Bill 2019 (“the Bill”) was introduced into the Legislative Council (“LegCo”) in February 2019, the object of which was to ban the import, manufacture, sale, distribution and advertisement of alternative smoking products (“ASPs”)¹. The Bill was passed at the LegCo meeting on 21 October 2021 and came into effect on 30 April 2022.

2. During the special meetings held by the Financial Committee to examine the Estimates of Expenditure 2019-2020, a member pointed out that the Administration’s introduction of the Bill would affect local commercial and industrial activities. It was understood that Shenzhen was an important production base for equipment of electronic cigarettes and quite a lot of products, which were in transit through Hong Kong, had their orders split into smaller quantities and transported to various overseas countries. The member asked the Secretary for Commerce and Economic Development (“SCED”) to help convey the views of the industry to the bureaux concerned, and to exempt the business activities of transshipping alternative smoking products from the above regulatory control. SCED advised that the Administration had noted the demands of the trade and would convey the views to the bureaux concerned.

3. During the deliberations of the Bills Committee², some members expressed concern that no exemption would be provided under the Bill for

¹ ASPs include electronic cigarettes (“e-cigarettes”), heated tobacco products (“HTPs”) and herbal cigarettes.

² The Bills Committee (“BC”) formed in the 2018-2019 session reported to the House Committee in July 2020 its decision to discontinue its scrutiny work on the Bill and the House Committee agreed to dissolve the BC. In the 2020-2021 session, the House Committee agreed to set up a new BC to study the Bill. The new BC held a total of seven meetings to study the Bill.

ASPs which were brought into Hong Kong and removed from the aircraft, vessel or air transshipment cargo solely for the purpose of re-exporting them after repackaging within Hong Kong, for other businesses' in-house use (such as packaging design) as well as for research and development work. In their view, such prohibition would have an adverse impact on the business of the logistics and the innovation and technology sectors.

4. These members did not subscribe to the Administration's view that an elaborate enforcement regime would be required to monitor the whole supply chain. They pointed out that a licensing system for the manufacturing, import and export of dutiable commodities, including tobacco products, was already in place. Reference could be made to the arrangement currently adopted for pharmaceutical products whereby an electronic system has been set up for licensed wholesalers of pharmaceutical products to enlist those unregistered pharmaceutical products or substances that would be imported into Hong Kong for re-export on the one hand, and on the other hand for the Administration to monitor the movement of these products into and out of Hong Kong to ensure that they would not enter into the black market. These members have indicated that they may propose certain amendments to the relevant provisions in the Bill.

5. During the consideration of the Bill by the committee of the whole Council, a Member moved Committee Stage Amendments which sought to expand the scope of the exemption from the prohibition against importing an ASP to cover not only an article in transit or air transshipment cargo, but also an ASP which is a transshipment cargo imported by a vehicle for export if certain specified conditions are met. The amendments were negatived.

Latest position

6. The Administration will consult the Panel at its meeting to be held on 28 November 2022 on Enhancing the Control and Regulation for Transshipment of Alternative Smoking Products.

Relevant papers

7. A list of relevant papers is in the **Appendix**.

**Enhancing the Control and Regulation for Transshipment
of Alternative Smoking Products**

List of relevant papers

Date	Meeting	Paper
10 Apr 2019	Finance Committee	<u>Report on the examination of the Estimates of Expenditure 2019-2020 (p.128)</u>
10 Sep 2021	Bills Committee on Smoking (Public Health) (Amendment) Bill 2019 (2020-2021 session)	<u>LegCo Brief</u> <u>Minutes of meeting</u> <u>Report of the Bills Committee</u>
21 Oct 2021	Council Meeting	<u>Hansard</u>

Council Business Division 4
Legislative Council Secretariat
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