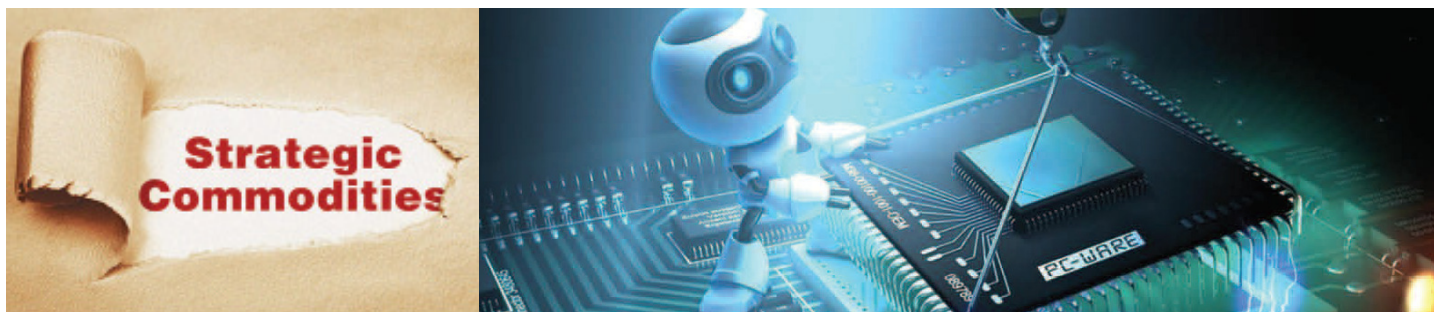


LEGAL MATTERS SUB-COMMITTEE

Chairman: AE CARGO SERVICES LTD – Mr. Ronnie Leung
Vice Chairman: THE JANEL GROUP OF HONG KONG LTD – Ir. Dr. Paul Tsui
Member: DHL GLOBAL FORWARDING (HONG KONG) LTD

HAFFA Best Practice for Strategic Commodities Handling

It has come to the attention of the Association that a number of Member companies have been prosecuted and fined for shipping strategic commodities due to no valid licences. In reality, the Members concerned were unaware that the goods (with generic goods description such as integrated circuits, router) they were instructed to handle were or consisted of strategic commodities, and only became aware of the problem when the Customs and Exercise Department (Customs) investigated the cases and made the prosecution after the shipments were flown weeks or years later.



Source: Trade and Industry Department (TID)

With the hope of assisting Members in protecting themselves from unintentional committal of such offences, HAFFA established a best practice (BP015) for Members' reference and consideration when exercising "reasonable diligence".

The Best Practice has been submitted to the Customs' responsible investigation bureau for information and reference. The Customs undertakes that they will investigate all cases of non-compliance in a holistic approach. All evidence will be fully reviewed and legal advice will be sought from the Department of Justice where necessary in the course of investigation.

The Best Practice, which is available at the HAFFA website <http://www.haffa.com.hk/portal/Page/Default.aspx?id=140>, is used on a voluntary and non-binding basis for Members. It is intended to provide a recommendation for Members to perform reasonable due diligence for shipment handling. The information inside does not constitute legal advice and in all cases must be tailored to the specific circumstances of any transaction.

Date: 18 April 2017

(END OF REPORT)