

## **LEGISLATIVE COUNCIL BRIEF**

### **Immigration Ordinance (Chapter 115) IMMIGRATION (AMENDMENT) REGULATION 2001**

#### **INTRODUCTION**

At the meeting of the Executive Council held on 27 February 2001, the Council ADVISED and the Chief Executive ORDERED that the Immigration (Amendment) Regulation 2001 (the Amendment Regulation), at Annex A, should be made under section 59 of the Immigration Ordinance to give effect to the revision of the fees for the new issue of an Asia Pacific Economic Co-operation Business Travel Card (ABTC) and for the replacement of an ABTC.

#### **BACKGROUND AND ARGUMENT**

2. It is Government policy that fees charged should in general be set at levels sufficient to recover the full cost of providing the services. At present, a fee of HK\$620 is charged for the new issue of ABTC and for a replacement due to loss, damage and changes in personal particulars of the card holder as prescribed under Schedule 2 to the Immigration Regulations (Cap. 115 sub. leg.).

3. The ABTC Scheme aims at enhancing the mobility of business travellers among the Asia Pacific Economic Cooperation (APEC) economies for promotion of business within the region. When the ABTC Scheme was introduced in May 1998, there were five economies (namely Australia; Chile; Hong Kong, China; the Philippines; and Korea) participating in its trial run. The Scheme has been implemented on a permanent basis since March 1999. New Zealand and Malaysia joined the Scheme in 1999; Thailand in early 2000.

4. An ABTC is in the size of a credit card with the name of participating economies printed on the back to indicate that the card is valid for use in such economies. The ABTC is normally valid for three

years and is good for multiple visits of two months to the participating economies without visa within the card validity period. Card holders will also enjoy streamlined immigration clearance at the control points of participating economies. In Hong Kong, card holders will be allowed to use residents' counters where available.

5. A business person residing in Hong Kong may apply for an ABTC on condition that he holds a Hong Kong Permanent Identity Card and a valid passport. He must be a bona fide business person who needs to travel frequently on short-term visits within the APEC region.

6. The ABTCs issued by the Immigration Department will normally be valid for use in those economies which have participated in the Scheme as of the respective dates of issue of the ABTCs. Under the present fee structure, whenever a new economy joins the Scheme, card holders are required to apply for a replacement at a charge of \$620 in order to enjoy the full benefit of the Scheme.

7. To cater for the entry of new participating economies under the Scheme after its implementation for about two years, the Immigration Department has conducted a costing exercise to compute the full cost of providing the services at 2001-02 prices. The result of the exercise shows that the processing procedure of an ABTC could be streamlined and thus cost may be reduced. We consider it appropriate to reduce the fee for the new issue of an ABTC to \$427 and to set the fee for a replacement card (for any reason) at \$150. Details of the fee revision are given at Annexes B and C. The cost computation of the fees is at Annex D.

## **THE AMENDMENT REGULATION**

8. The Amendment Regulation at Annex A revises the fee for the new issue of an ABTC and prescribes a fee for its replacement as set out at para 7 above. It will be gazetted on 2 March 2001 and the new fees will take effect on 27 April 2001.

## **BASIC LAW IMPLICATIONS**

9. The Department of Justice advises that the Amendment

Regulation is consistent with the Basic Law.

## **HUMAN RIGHTS IMPLICATIONS**

10. The Department of Justice advises that the Amendment Regulation has no human rights implications.

## **BINDING EFFECT OF THE LEGISLATION**

11. The Amendment Regulation does not affect the current binding effect of the existing provisions of the Immigration Ordinance or regulations made thereunder.

## **EFFICIENCY INITIATIVES**

12. The Immigration Department regularly reviews its operational procedures to enhance cost-effectiveness and the quality of services. In the costing exercise, it was identified that the processing procedures of an ABTC could be streamlined by synchronizing the card production system with the global system developed by Australia for ABTC purpose. The system will reduce manual effort in data input and enhance the efficiency of card production.

## **FINANCIAL AND STAFFING IMPLICATIONS**

13. The revised fees will result in revenue reduction of about \$1.33 million per annum. Although the reduction in fees will prompt an upsurge in the demand of ABTC, it is estimated that the additional workload can be absorbed by the existing establishment of staff.

## **ECONOMIC IMPLICATIONS**

14. The prime objective of the ABTC Scheme is to facilitate business travel and promote trade and investment. In revising the fees downwards, more local business people will be attracted to apply for the ABTC which will further facilitate their travel within the APEC region. It will bring intangible benefits to the local economy and help promote Hong Kong's role as a business centre in the APEC region.

## **PUBLICITY**

15. The Amendment Regulation will be published in the Gazette on 2 March 2001. A press release will be issued on the same day and a spokesman will be available for answering media enquiries.

## **ENQUIRIES**

16. Enquiries about this brief can be made to Mr Alan K M Chu, Principal Assistant Secretary (D), at 2810 2506.

Security Bureau  
28 February 2001

**IMMIGRATION (AMENDMENT) REGULATION 2001**

(Made by the Chief Executive in Council under section 59  
of the Immigration Ordinance (Cap. 115))

**1. Commencement**

This Regulation shall come into operation on 27 April 2001.

**2. Fees payable under the  
Ordinance**

Schedule 2 to the Immigration Regulations (Cap. 115 sub. leg.) is amended by  
repealing item 22 and substituting -

- "22. (a) APEC business travel card valid for a  
period of not more than 5 years ..... 427
- (b) Replacement of an APEC business travel  
card for the remainder of its validity  
period ..... 150".

Clerk to the Executive Council

COUNCIL CHAMBER

### **Explanatory Note**

The object of this Regulation is to amend the Immigration Regulations (Cap. 115 sub. leg.) to -

- (a) reduce the fees payable for the issue of APEC business travel cards;  
and
- (b) prescribe the fee payable for the replacement of an APEC business travel card for the remainder of its validity period.

**Summary of proposed reduction in fee  
for the new issue of an APEC Business Travel Card**

Legislation	Section/ Schedule	Item	Description	Present Fee	Proposed Fee	Proposed Increase/ Decrease
Chapter 115 sub leg A	Schedule 2	22	APEC Business Travel card (ABTC) valid for a period of not more than 5 years	\$620	\$427	-\$193

**Summary of new charge for the replacement  
of an APEC Business Travel Card**

Legislation	Section/ Schedule	Item	Description	Present Fee	Proposed Fee	Proposed Increase/ Decrease
Chapter 115 sub leg A	Schedule 2	22	To charge a new fee for replacement of an ABTC for whatever purposes for the remainder of its validity period	\$620 (same as the new issue of an ABTC)	\$150	-\$470

**COST COMPUTATION****Immigration Department****Fee for APEC Business Travel Card payable  
under the Immigration Regulations****Costs at 2001-02 Prices**

	New Issue \$	Replacement \$
Staff Costs	619,160	130,240
Departmental Expenses	135,840	123,600
Accommodation Costs	34,460	8,380
Depreciation	31,540	31,320
Costs of Services provided by Other Departments	-	-
Central Administrative Overhead	33,900	7,120
<b>Total Cost</b>	<b>854,900</b>	<b>300,660</b>
Estimated number of caseload for financial year 2001-02	2,000	2,000
Unit cost at 2001-02 prices (\$)	427	150
Proposed fee with effect from 13 April 2001 (\$)	427	150