

立法會
Legislative Council

LC Paper No. CB(1) 1512/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/BC/1/01/2

**Bills Committee on
Import and Export (Electronic Transactions) Bill 2001**

**Minutes of third meeting held on
Friday, 22 March 2002, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Kenneth TING Woo-shou, JP (Chairman)
Hon HUI Cheung-ching, JP
Hon Miriam LAU Kin-yee, JP
- Members absent** : Hon CHAN Kam-lam
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP
Hon SIN Chung-kai
- Public officers attending** : Commerce and Industry Bureau

Mr Philip CHAN
Principal Assistant Secretary

Miss Helen CHUNG
Assistant Secretary

Department of Justice

Mr J L ABBOTT
Senior Assistant Law Draftsman

Ms Frances HUI
Senior Government Counsel

Customs and Excise Department

Mr LEUNG Koon-wah
Senior Staff Officer (Information Technology)

Census and Statistics Department

Ms Josephine TSE
Senior Statistician (Trade)

Trade and Industry Department

Miss Winnie TO
Principal Industry Officer

**Attendance by
invitation**

: Tradelink Electronic Commerce Limited

Mr Justin YUE
Chief Executive Officer

Ms Emily CHUNG
Chief Operations Officer

Carrier Liaison Group

Mr Albert LO Sze-wai
Chairman

Guangdong and Hong Kong Feeder Association Limited

Mr HUNG Tam-yuen
Chairman

Mr Ellis C H CHUNG
Committee Member

Mr CHOI Kai-fook
Assistant to Secretary

The Hong Kong Sea Transport Association Limited

Mr Alfred TSAO
Chairman

Kowloon-Canton Railway Corporation

Mr Ian PETERSEN
General Manager, Freight

Clerk in attendance : Miss Becky YU
Chief Assistant Secretary (1)1

Staff in attendance : Miss Anita HO
Assistant Legal Adviser 2

Mrs Mary TANG
Senior Assistant Secretary (1)2

I Confirmation of minutes of previous meeting

(LC Paper No. CB(1) 1300/01-02 — Minutes of the meeting held on
21 February 2002)

The minutes of meeting on 21 February 2002 were confirmed.

II Meeting with the Administration and deputations

(LC Paper No. CB(1) 1095/01-02(01) -- Submission from the Carrier Liaison
Group

LC Paper No. CB(1) 1336/01-02(01)-- Submission from the Hong Kong Sea
Transport Association Ltd

LC Paper No. CB(1) 1336/01-02(02) -- Submission from the Kowloon-
Canton Railway Corporation

LC Paper No. CB(1) 1349/01-02(01) -- Submission from the Grand Alliance

LC Paper No. CB(1) 1336/01-02(03) -- List of follow-up actions arising from
the discussion on 21 February 2002

LC Paper No. CB(1) 1336/01-02(04) -- Administration's response to
CB(1) 1336/01-02(03))

2. The Committee deliberated (Index of proceedings attached at **Annex A**).

3. The Administration was requested to -

- (a) provide written response to the submissions from various deputations, copies of which had already been forwarded to the Administration;
 - (b) ask the Hong Kong Guangdong Cooperation Coordination Unit to include in their agenda discussion on interface between Hong Kong and the Pearl River Delta region in respect of electronic collection, submission and distribution of data related to cargo handling;
 - (c) re-consider the levy for electronic submission of cargo manifests (EMAN) taking into account the industry's concerns about the additional cost incurred and the availability of technical support from Tradelink;
 - (d) consider extending the transitional period to allow ample time for the industry to adapt to the use of EMAN; and
 - (e) include an undertaking in the speech to be delivered by the Secretary for Commerce and Industry at the resumption of Second Reading debate of the Bill that EMAN would not replace the existing Customs' Air Cargo Clearance System.
4. There being no other business, the meeting ended at 12:25 pm.

Legislative Council Secretariat

16 April 2002

**Proceedings of the meeting of the
Bills Committee on Import and Export (Electronic Transactions) Bill 2001
on Friday, 22 March 2002, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
00:00 - 02:43	Mr Kenneth TING	Confirmation of minutes of meeting and invitation of deputations' views	
02:44 - 04:46	Mr Albert LO, Carrier Liaison Group	Expressed reservations about changes brought by the Bill. Views set out at LC Paper No. CB(1) 1095/01-02(01)	
04:47 - 05:03	Chairman	Invitation of views	
05:04 - 12:32	Mr HUNG Tam-yuen, Guangdong and Hong Kong Feeder Association(GHKFA)	Expressed concern about charges for electronic submission of cargo manifests (EMAN)	
12:33 - 12:40	Chairman	Invitation of views	
12:41 - 15:18	Mr Ellis CHUNG (GHKFA)	Expressed concern about interface problems with Tradelink. Use of XML by Tradelink not compatible with the software used by industry. Need for flat file interface and more choice of software to facilitate EMAN. The Bill would bring cost savings for the Administration but not the industry. Concerned that EMAN charges were too high	
15:19 - 15:27	Chairman	Invitation of views	
15:28 - 16:10	Mr CHOI Kai-fok, (GHKFA)	Expressed concern about monopoly of services by Tradelink	
16:11 - 16:12	Chairman	Invitation of views	

16:13 - 16:28	Mr Alfred TSAO, Hong Kong Sea Transport Association	Small and medium enterprises (SMEs) should be given necessary assistance. Concerned about EMAN charges. Request for provision of free EMAN services pending the establishment of common platform for EMAN. Views set out at LC Paper No. CB(1) 1336/01-02(01)	
16:29 - 16:30	Chairman	Invitation of views	
16:31 - 16:50	Mr Ian PETERSEN, Kowloon-Canton Railway Corporation	Expressed support for the Bill. Need to ensure compatibility with Mainland. Contingency measures to be worked out. Questioned whether there was a need to charge the industry. Views set out at LC Paper No. CB(1) 1336/01-02(02)	
17:24 - 17:34	Chairman	Invitation of Administration's response	
17:35 - 25:50	Admin	EMAN would benefit both the Administration and the industry. Transitional provisions would enable the industry to adapt to changes. Tradelink's franchise would expire in 2003. Efforts would be made to bring in two more service providers to enhance competition	
25:51 - 30:47	Mr Justin YUE, Tradelink Electronic Commerce (Tradelink)	Explanation on measures to resolve interface problems; proposed charges for EMAN; contingency arrangements; and volume of electronic transactions. Assurance on no cost implications in interfacing. Efforts made to ensure compatibility with Mainland	

30:48 - 32:22	Ms Miriam LAU	Need for compatibility with Mainland. Assistance to be given to SMEs. Provision of free EMAN services	
32:23 - 34:30	Admin	Seminars and training provided by Tradelink to SMEs on use of EMAN.	
34:31 - 36:17	Mr Justin YUE, Tradelink	Free software to be provided by Tradelink. Consideration would be given to providing free EMAN services for the introductory period	
36:18 - 38:34	Ms Miriam LAU	SMEs' concern about cost implications of using EMAN. Hong Kong Guangdong Cooperation Coordination Unit to be requested to liaise with Mainland counterparts on EMAN	
38:35 - 41:00	Admin	Agreed to explore opportunities for further coordination with Mainland and to seek assistance from Hong Kong Guangdong Cooperation Coordination Unit in this respect. SMEs had acquired experience in electronic transactions in the past. EMAN systems were Internet-based and user friendly	
41:01 - 42:35	Mr Justin YUE, Tradelink	SMEs could seek funds from Government. Training courses on EMAN to be provided to SMEs at cost	
42:36 - 43:53	Ms Miriam LAU	Requested the Administration to be more proactive in providing assistance to SMEs and in coordinating with Mainland	

43:54 - 44:51	Admin	Proactive actions taken	
44:52 - 45:12	Chairman		The Administration was requested to ask the Hong Kong Guangdong Cooperation Coordination Unit to include in their agenda discussion on interface between Hong Kong and the Pearl River Delta region in respect of electronic collection, submission and distribution of data related to cargo handling
45:13 - 45:57	Mr Justin YUE, Tradelink	Assistance from Hong Kong Guangdong Cooperation Coordination Unit would be beneficial to the smooth implementation of EMAN	
45:58 - 46:12	Chairman	-ditto-	
46:13 - 48:51	Mr HUI Cheung-ching	Need for coordination with Mainland. EMAN would facilitate the industry. Industry's concerns about interfacing and charges should be addressed	
48:52 - 49:03	Chairman	-ditto-	
49:04 - 50:14	Mr Ellis CHUNG (GHKFA)	Provision of free software by Tradelink would only benefit SMEs whose software had not been developed. Companies who had developed their own software would have difficulty in interfacing with Tradelink	
50:15 - 50:35	Chairman	-ditto-	
50:36 - 51:49	Mr Ellis CHUNG (GHKFA)	Need to step up coordination with Mainland	

51:50 - 53:09	Mr Justin YUE, Tradelink	Tradelink to provide assistance as necessary	
53:10 - 53:16	Chairman	-ditto-	
53:17 - 53:39	Mr Justin YUE, Tradelink	-ditto-	
53:40 - 54:22	Mr Ellis CHUNG (GHKFA)	Coordination with Mainland	
54:23 - 54:43	Chairman	-ditto-	
54:44 - 56:28	Mr CHOI Kai-fok, (GHKFA)	-ditto-	
56:29 - 56:59	Chairman	-ditto-	
57:00 - 59:19	Mr Albert LO, Carrier Liaison Group	Custom's Air Cargo Clearance Systems (ACCS) was very useful to air cargo carriers and should not be replaced by EMAN. Opposed to engaging Tradelink as the only specified service provider. Government need only to provide guidelines and allow the industry to develop its own software	
59:20 - 59:25	Chairman	-ditto-	
59:26 - 01:02:45	Mr Alfred TSAO, Hong Kong Sea Transport Association	Need for assistance in resolving interface problems.	
01:02:46 - 01:08:13	Admin	Stressed that EMAN would not replace ACCS in air cargo clearance. The aim of the Bill was to provide for the use of services provided by a specified body i.e. Tradelink in submitting manifests. Explained cost-effectiveness of engaging Tradelink as service provider. More service providers to be engaged in 2004. Efforts to be made by Tradelink to resolve interfacing problems	

01:08:14 - 01:08:32	Chairman	Need for Customs and Excise Department coordinate with Mainland counterparts on the submission of export manifest in electronic form in the Mainland	
01:08:33 - 01:10:00	Admin	Coordination with Mainland counterparts	
01:10:01 - 01:10:15	Chairman	-ditto-	
01:10:16 - 01:13:27	Ms Miriam LAU	Need to address the industry's concern about EMAN charges amidst economic downturn. EMAN had facilitated Government in processing manifest yet the charges were borne only by the industry. The additional cost of compliance with EMAN might impact on the cost and hence the competitiveness of the logistics industry	The Administration was requested to re-consider the levy for EMAN taking into account the industry's concerns about the additional cost incurred and the availability of technical support from Tradelink
01:13:28 - 01:16:48	Admin	An analysis to be performed on the average monthly expenditure on submitting manifests per carrier	
01:16:49 - 01:17:32	Chairman	Transitional period for implementing EMAN	
01:17:33 - 01:19:44	Admin	Way forward for EMAN for road mode transport to be decided upon completion of feasibility study in mid-2002	
01:19:45 - 01:22:29	Mr Albert LO, Carrier Liaison Group	EMAN would benefit Government but would not result in savings on the part of the industry. Concerned about additional cost associated with EMAN. The Administration to clarify EMAN procedures	

01:22:30 01:22:48	- Chairman		The Administration was requested to provide written response to the submissions from various deputations
01:22:49 01:23:02	- Ms Miriam LAU		The Administration was requested to include an undertaking in the speech to be delivered by the Secretary for Commerce and Industry at the resumption of Second Reading debate of the Bill that EMAN would not replace the existing ACCS
01:23:03 01:23:39	- Admin	EMAN would not replace ACCS	
01:23:40 01:23:49	- Ms Miriam LAU	-ditto-	
01:23:50 01:24:02	- Admin	-ditto-	
01:24:03 01:24:14	- Chairman	-ditto-	
01:24:15 01:25:12	- Mr CHOI Kai-fok, (GHKFA)	EMAN charges to be ploughed back to provide necessary assistance to the industry. Need for the establishment of common platform	
01:25:13 01:27:50	- Admin	Purpose of setting up Tradelink was to promote electronic transaction. It was not intended as a profit making investment. XML was commonly used in electronic transactions	
01:27:51 01:28:27	- Chairman	Assistance to be provided to SMEs to enable compliance with	

		EMAN procedures	
01:28:28 01:29:29	- Ms Miriam LAU	Transitional period to take account of the industry's readiness	

01:29:30 01:32:28	- Admin	Notices to be given by Commissioner for Customs and Excise on expiry of transitional period would be subject to negative vetting procedures. Transitional period would depend on the industry's readiness and the smooth operation of the system	
01:32:29 01:33:54	- Ms Miriam LAU	Need to take account of the difficulties faced by SMEs	The Administration was requested to consider extending the transitional period to allow ample time for the industry to adapt to the use of EMAN.
01:33:55 01:35:56	- Chairman	Date of next meeting	
01:35:57 -01:36:10	Ms Miriam LAU	-ditto-	
01:36:11 01:36:18	- Admin	-ditto-	
01:36:19 01:36:38	- Chairman	Date of next meeting to be decided upon receipt of the Administration's response	
01:36:39 -01:36:45	Ms Miriam LAU	The Administration should take time to address industry's concerns about interfacing and charging. Need to provide necessary assistance to the industry	

Note: The audio records of the above proceedings are kept at the LegCo Library