

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 797/02-03  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/7/01/2

**Bills Committee on Dutiable Commodities (Amendment) Bill 2002**

**Minutes of meeting**  
**held on Friday, 3 January 2003 at 3:15 pm**  
**in Conference Room B of the Legislative Council Building**

- Members present** : Hon HUI Cheung-ching, JP (Chairman)  
Hon Mrs Selina CHOW LIANG Shuk-ye, GBS, JP  
Hon CHAN Kam-lam, JP  
Hon Andrew WONG Wang-fat, JP  
Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Hon SIN Chung-kai  
Hon Abraham SHEK Lai-him, JP
- Public officers attending** : Mr Martin GLASS  
Deputy Secretary for Financial Services and the Treasury
- Mr Edward MAK  
Assistant Secretary for Financial Services and the Treasury
- Mr Allen LAI  
Senior Government Counsel
- Mr CHOW Kwong  
Assistant Commissioner of Customs and Excise
- Mr LAM Ming-mon  
Senior Staff Officer (Dutiable Commodities Administration), Customs and Excise Department

Mr HUI Chiu-chun  
Staff Officer (Excise Control), Customs and Excise  
Department

Mr LEUNG Yuk-chiu  
Senior Inspector (Excise Research), Customs and  
Excise Department

**Clerk in attendance** : Ms Connie SZETO  
Chief Assistant Secretary (1)4

**Staff in attendance** : Miss Anita HO  
Assistant Legal Adviser 2

Mr S C TSANG  
Senior Assistant Secretary (1)7

---

Action

- I Meeting with the Administration**  
(LC Paper No. CB(1) 594/02-03(01) -- Information paper provided by the Administration on matters arising from the Bills Committee meeting held on 18 December 2002;
- LC Paper No. CB(1) 594/02-03(02) -- Submission from Cathay Pacific Catering Services (HK) Ltd. dated 24 December 2002;
- LC Paper No. CB(1) 594/02-03(03) -- Submission from Nanyang Brothers Tobacco Co., Ltd. dated 27 December 2002; and
- LC Paper No. CB(1) 610/02-03(01) -- Submission from Hong Kong Air Cargo Terminals Ltd. dated 27 December 2002)

The Bills Committee deliberated (Index of proceedings attached at the **Annex**).

2. The Administration undertook to take follow-up actions as below:

(I) Implementation of Open Bond System (OBS)

To circulate the Administration's paper on the proposed new control mechanism for OBS for information of existing warehouse licensees.

(II) Legal and drafting issues

- (a) To review the drafting of the new section 8A which appeared to provide wide discretionary power to the Commissioner in determining the granting and revocation of OBS licences; and
- (b) To review the drafting of the new sections 8A(1)(e) and (3)(e), with reference to similar provisions in existing legislation.

**II Any other business**

- 3. Members agreed to hold the next meeting on Thursday, 9 January 2003 at 10:45 am.
- 4. There being no other business, the meeting ended at 4:50 pm.

Council Business Division 1  
Legislative Council Secretariat  
24 January 2003

**Proceedings of the meeting of the  
Bills Committee on Dutiable Commodities (Amendment) Bill 2002  
on Friday, 3 January 2003 at 3:15 pm  
in Conference Room B of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
000000 - 000135	Chairman	Opening remarks	
000135 - 002125	Administration	Briefing on the Administration's responses to matters arising from the Bills Committee meeting held on 18 December 2002	
002125 - 002828	Chairman Mrs Selina CHOW Administration	<p>Concern on the need to consult the trade on the guidelines for compliance with the Open Bond System (OBS) to be published by the Customs and Excise Department</p> <p>The Administration had conducted briefing sessions to explain to the trade on details of the OBS and incorporated trade's views into the guidelines to be issued after enactment of the Bill.</p> <p>A telephone hotline would also be set up to handle enquiries regarding the implementation of the OBS.</p>	
002828 - 002927	Mrs Selina CHOW Administration	Confirmation that the OBS would not have significant cost implications on warehouse licensees	
002927 - 003248	Mrs Selina CHOW Administration	<p>Concern on whether the existing warehouse licensees were aware of the new control mechanism for implementation of the OBS</p> <p>The Administration undertook to circulate the paper on the proposed control mechanism for information of the existing warehouse licensees.</p>	Admin

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
003248 - 004157	Mr CHAN Kam-lam Mrs Selina CHOW Chairman Administration	<p>Suggestion that the renewal of OBS licences should be subject to simplified procedures to facilitate compliance by warehouse licensees</p> <p>Suggestions to reconsider extending the validity of OBS licences to over one year and the feasibility of submitting applications for OBS licences in electronic forms</p> <p>It would be appropriate to adopt a prudent approach at the initial stage in implementing the OBS. Suggestion for the Administration to review the matters one year after the operation of the OBS.</p>	
004157 - 005900	Ms Audrey EU Mrs Selina CHOW ALA2 Administration	<p>Concern that the new section 8A appeared to provide wide discretionary power to the Commissioner of Customs &amp; Excise (the Commissioner) in determining the granting and revocation of OBS licences</p> <p>Clarification that the Commissioner already had discretion in granting licences under section 7. New section 8A provided clarity by stating the factors which the Commissioner would normally take into account.</p> <p>Clarification by the Administration that the words "any other relevant matter" in the new sections 8A(1)(e) and (3)(e) were necessary to cater for scenarios where matters other than those prescribed and relevant to the consideration of an application emerged.</p> <p>Suggestion to review the drafting of the new section 8A, in particular, sub-sections (1)(e) &amp; (3)(e), with reference</p>	Admin

Time marker	Speaker	Subject(s)	Action required
		to similar provisions in existing legislation	
005900 - 011136	Ms Audrey EU Mrs Selina CHOW ALA2 Administration	Clarification on the rationale for providing the discretionary power to the Commissioner and safeguard against possible abuse of power  Applicants for OBS licences and existing licensees might seek judicial review against the decisions made by the Commissioner. The Commissioner's decisions were also appealable to the Administrative Appeals Board.	
011136 - 012350	Ms Audrey EU ALA2 Chairman Administration	Confirmation that the maximum penalties on compounding of offences under sections 17 and 34A would not exceed those imposed by the court	
012350 - 013100	Chairman	Date of next meeting	

**Note: The audio records of the above proceedings are kept at the Legislative Council Library.**

Council Business Division 1  
Legislative Council Secretariat  
 24 January 2003