

立法會
Legislative Council

LC Paper No. CB(1) 1796/01-02
(These minutes have been seen
by the Administration)

REF : CB1/SS/2/01

**Subcommittee on
Revenue (Variation and Reduction of Fees and Charges) Order 2002**

**Minutes of meeting
held on Thursday, 28 March 2002 at 5:00 pm
in Conference Room B of the Legislative Council Building**

- Members present** : Hon Albert HO Chun-yan (Chairman)
Hon Margaret NG
Hon CHAN Yuen-han, JP
Hon Andrew WONG Wang-fat, JP
- Members absent** : Hon David CHU Yu-lin, JP
- Public officers attending** : Mr Martin GLASS
Deputy Secretary for the Treasury
- Miss Erica NG
Principal Assistant Secretary for the Treasury
- Mr Allen LEUNG
Principal Assistant Secretary for the Treasury
- Mrs Teresa CHU
Assistant Commissioner of Inland Revenue
- Mrs Lily TSANG
Business Manager, Water Supplies Department
- Mr Benedict LAI
Deputy Law Officer (Civil Law)
Department of Justice

Miss Miranda NG
Senior Assistant Law Draftsman
Department of Justice

Clerk in attendance : Ms Anita SIT
Chief Assistant Secretary (1)6

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Mr S C TSANG
Senior Assistant Secretary (1)7

I. Election of Chairman

Mr Albert HO, the Member who had the highest precedence in the Council amongst those who were present at the meeting, presided over the election of Chairman for the Subcommittee.

2. Mr Albert HO invited nominations for the chairmanship of the Subcommittee. Mr Albert HO was nominated by Ms Margaret NG and the nomination was seconded by Mr Andrew WONG. Mr Albert HO accepted the nomination. There being no other nomination, Mr Albert HO was elected as Chairman of the Subcommittee.

II. Meeting with the Administration

Revenue (Variation and Reduction of Fees and Charges) Order 2002	--	L.N.35 of 2002 gazetted on 12 March 2002 (copy re-issued vide CB(1) 1383/01-02(01) dated 27 March 2002
Legislative Council Brief issued by the Finance Bureau	--	Ref: FIN CR4/7/2201/01 issued on 12 March 2002
Letter dated 13 March 2002 from Assistant Legal Adviser 1 to the Secretary for the Treasury	--	LC Papers No. CB(2) 1351 and 1363/01-02 issued on 13 and 15 March 2002
Legal Service Division Report	--	LC Paper No. LS 68/01-02 dated 20 March 2002
Relevant extracts from the Public Finance Ordinance (Cap.2), Waterworks Regulations (Cap.102), Business Registration Ordinance (Cap.310), Sewage Services Ordinance, Sewage Services (Sewage Charge) Regulation and Sewage Services (Trade Effluent Surcharge) Regulation (Cap.463)	--	LC Paper No. CB(1) 1383/01-02(02) issued on 27 March 2002

Letter dated 22 March 2002 from Assistant Legal Adviser 1 to the Secretary for the Treasury -- LC Paper No. CB(1) 1383/01-02(03) issued on 27 March 2002

Letter dated 27 March 2002 from the Secretary for the Treasury to Assistant Legal Adviser 1 LC Paper No. CB(1) 1383/01-02(04) issued on 27 March 2002

3. The Subcommittee deliberated (Index of proceedings attached at **Annex**).
4. The Subcommittee was in support of the policy objective of the Revenue (Variation and Reduction of Fees and Charges) Order 2002 (“the Order”). During the deliberation, members raised concern on the following matters:
 - (a) the propriety of using section 39A of the Public Finance Ordinance (PFO) to effect the proposed waiver of business registration fees and reduction of water and sewage charges and trade effluent surcharges;
 - (b) the administrative arrangements and resource implications for implementation of the proposed waiver and reduction of fees and charges as mentioned in (a);
 - (c) the scope of power conferred on the Chief Executive (CE) under section 39A(a) of PFO and the availability of adequate checks and balances;
 - (d) the possibility that future variation in fees and charges effected through an order made under section 39A(a) of PFO might contravene the statutory provisions of relevant charging regimes;
 - (e) the use of section 39A(b) of PFO to effect refund of certain business registration fees and the refund arrangements;
 - (f) whether sections 4(3)(a) and 5(3)(a) of the Order in relation to water charges for domestic purposes and flushing purposes would in effect vary the method of billing specified under the Waterworks Regulation; and
 - (g) the propriety of arranging the Order to commence operation before the completion of the scrutiny of the Order by the Legislative Council.
5. The Administration undertook to review members’ concern on item (d) in any future proposal involving the use of section 39A(a) of PFO.
6. Since the Subcommittee had completed the scrutiny of the Order, members agreed that a report on the deliberations of the Subcommittee would be made to the House Committee at its meeting on 12 April 2002. The Subcommittee noted that as agreed at the House Committee meeting on 22 March 2002, the Chairman of the House Committee would move a motion at the Council meeting on 10 April 2002 to extend the scrutiny period of the Order to the Council meeting on 17 April 2002.

III Any other business

7. There being no other business, the meeting ended at 6:15 pm.

Legislative Council Secretariat
21 May 2002

**Proceedings of the meeting of the
Subcommittee on Revenue (Variation and Reduction of
Fees and Charges) Order 2002
on Thursday, 28 March 2002 at 5:00 pm
in Conference Room B of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
0000-0159	Mr Albert HO	Election of Chairman	
0200-0422	Administration	Briefing on the Revenue (Variation and Reduction of Fees and Charges) Order 2002 (“the Order”)	
0423-0732	Ms Margaret NG	<ul style="list-style-type: none"> • Making of the Order under section 39A of the Public Finance Ordinance (PFO) to effect the proposed waiver and reduction of fees and charges; • Administrative measures for implementation of the proposed waiver and reduction 	
0733-0818	Chairman	ditto	
0818-1399	Administration	<ul style="list-style-type: none"> • Waiver of business registration fee & related administrative measures for implementation; • Use of section 39A(b) of PFO to effect refund of certain business registration fees 	
1400-1507	Ms Margaret NG	ditto	
1508-1525	Chairman	ditto	
1526-1590	Administration	Reduction of water and sewage charges & related administrative measures for implementation	
1591-1616	Ms Margaret NG	Method of billing for water and sewage charges	
1617-1625	Ms CHAN Yuen-han	ditto	
1626-1649	Administration	ditto	
1650-1720	Ms Margaret NG	ditto	
1721-1756	Administration	ditto	
1757-1804	Chairman	ditto	
1805-1830	Administration	Reduction of trade effluent surcharges & related administrative measures for implementation	
1831-2113	ALA1	Background and legislative intent of section 39A of PFO	
2114-2239	Ms Margaret NG	Commencement of the operation of the Order versus the scrutiny period of the Order	
2240-2309	Chairman	ditto	
2310-2358	Administration	ditto	
2359-2455	Chairman	ditto	
2456-2509	Administration	ditto	
2510-2554	Ms Margaret NG	ditto	
2555-2625	Administration	ditto	
2626-2641	Chairman	ditto	
2642-2900	ALA1	Arrangements for refund of business registration fees effected under section 39A(b) of PFO	
2901-3027	Administration	ditto	
3028-3040	ALA1	ditto	
3041-3057	Administration	ditto	

Time	Speaker	Subject(s)	Action required
3058-3117	Ms Margaret NG	Notification to account holders on how concessions on water and sewage charges would operate	Admin
3118-3312	ALA1	ditto	
3313-3349	Chairman	Resource implication for implementation of the proposed waiver and reduction of fees and charges	
3350-3410	Administration	ditto	
3411-3419	Chairman	ditto	
3420-3600	Administration	ditto	
3601-3620	Chairman	ditto	
3621-3645	Administration	ditto	
3646-3728	Chairman	ditto	
3729-3800	Administration	ditto	
3801-3820	Ms Margaret NG	ditto	
3842-4033	Chairman	Clause-by-clause examination of the Order (Clauses Nos.1 to 6)	
4034-4310	Ms Margaret NG	Review on whether the scope of power conferred on the Chief Executive (CE) under section 39A(a) of PFO might contravene the statutory provisions of relevant charging regimes	Admin
4311-4350	Administration	ditto	
4351-4434	Chairman	ditto	
4435-4540	Ms Margaret NG	ditto	
4541-4657	Administration	ditto	
4658-4724	Ms Margaret NG	Variation in fees and charges under the Order	
4725-4823	Administration	ditto	
4824-4832	Ms Margaret NG	ditto	
4833-4846	Administration	ditto	
4847-4956	Ms Margaret NG	ditto	
4957-5004	Administration	ditto	
5005-5050	Chairman	Applicability of section 39A(a) of PFO to any fee or charge payable to the government or any public body or public officer; need for checks and balances	
5051-5110	Administration	ditto	
5111-5205	Ms Margaret NG	ditto	
5206-5305	Chairman	ditto	
5306-5320	Ms Margaret NG	ditto	
5321-5343	Administration	ditto	
5344-5347	Chairman	Concluding remarks	

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