

立法會
Legislative Council

LC Paper No. LS60/04-05

**Paper for the House Committee Meeting
on 6 May 2005**

**Legal Service Division Report on
Revenue (Personalized Vehicle Registration Marks) Bill 2005**

I. SUMMARY

1. **Objects of the Bill** To implement the proposal on personalized registration marks of motor vehicles announced by the Financial Secretary in his 2004-05 Budget Speech, and to provide for related and consequential matters.

2. **Comments**
 - (a) A personalized vehicle registration mark (“PVRM”) may consist of up to eight letters of the alphabet (except the letters “I”, “O” and “Q”) or eight numerals or any combination of not more than eight such letters and numerals. Each blank space between two letters or numerals will be counted as one letter or numeral.

 - (b) An applicant for a PVRM is required to pay a deposit of \$5,000. All approved PVRMs will be offered for sale by auction subject to a reserve price of \$5,000.

 - (c) It is intended that the proceeds from the auction of PVRMs will be paid into the general revenue.

3. **Public Consultation** The trade and members of the public have expressed views on the level of deposit payable for PVRM applications.

4. **Consultation with LegCo Panel** The Panel on Financial Affairs was consulted at its meeting on 10 November 2004 and members expressed various concerns on the proposed PVRM Scheme.

5. **Conclusion** A Bills Committee is recommended to be formed.

II. REPORT

Objects of the Bill

To amend the Road Traffic Ordinance (Cap. 374) to implement the proposal on personalized registration marks of motor vehicles announced by the Financial Secretary in the 2004-05 Budget, and to provide for related and consequential matters.

LegCo Brief Reference

2. File Ref.: FIN CR 2/7/2201/03 issued by the Financial Services and the Treasury Bureau in April 2005.

Date of First Reading

3. 4 May 2005.

Comments

4. At present, the registration and licensing of motor vehicles is governed by the Road Traffic Ordinance (Cap. 374) (“the Ordinance”) and the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E) (“the Registration and Licensing Regulations”). Under the existing arrangements, only letters of the alphabet and numerals are allowed in vehicle registration marks. There are two types of vehicle registration marks, namely, ordinary vehicle registration marks (“OVRM”) and special vehicle registration marks (“SVRM”). OVRMs consist of a maximum of two letters of the alphabet followed by a maximum of four numerals. OVRMs are assigned or allocated according to the alphabetical order of the letters. A vehicle owner will be assigned an OVRM upon registration. Alternatively, he may choose another OVRM that is available for reservation for allocation by auction. SVRMs consist of numbers alone, or a maximum of two letters together with any of the special numbers set out in Schedule 5 to the Registration and Licensing Regulations. SVRMs are allocated upon sale by auction. The proceeds from the auction of OVRMs and SVRMs are paid into the Lotteries Fund.

5. To raise revenue for the Government, the Financial Secretary announced in his 2004-05 Budget Speech on 10 March 2004 the introduction of a Personalized Vehicle Registration Marks (“PVRM”) Scheme, in addition to the existing arrangements for allocating and auctioning vehicle registration marks. Under the Scheme, a vehicle owner can choose his preferred vehicle registration mark and use it upon approval of his application by the Commissioner for Transport following a bidding exercise. To allow more choice and add to the attraction of the Scheme, the restrictions on vehicle registration marks will be relaxed to allow for any combination of up to eight letters, numerals and/or blank spaces (paragraph 80 of the 2004-05 Budget Speech).

6. The main purpose of this Bill is to amend the Ordinance and the Registration and Licensing Regulations to give effect to the PVRM Scheme.

7. Clause 3 of the Bill amends the regulation-making provisions in the Ordinance to enable regulations to be made to provide for matters relating to the issue of PVRMs. The new regulations 12A to 12Q of the Registration and Licensing Regulations, as added by clause 10 of the Bill, provide for various matters relating to the proposed PVRM Scheme, including the application, balloting, approval, allocation, assignment and cancellation of PVRMs. These provisions are summarized as follows:

- (a) A PVRM may consist of up to eight letters of the alphabet (except the letters “I”, “O” and “Q”) or eight numerals or any combination of not more than eight such letters and numerals. Each blank space between any two letters or numerals will be counted as one letter or numeral.
- (b) The Commissioner for Transport (“the Commissioner”) may invite applications for PVRMs from time to time, and may set a limit on the number of applications to be processed. If the number of applications received exceeds the limit, a selection by lot will be held. The applicants who are within the set limit or selected are required to pay a deposit of \$5,000 before their applications are processed.
- (c) The Commissioner will refuse an application if a proposed PVRM is offensive; refers to any triad title or nomenclature or has triad connotation; or causes people to believe that it has any connection with the Hong Kong Garrison, any office set up in Hong Kong by the Central People’s Government, the Hong Kong Government, any country or the government of any country, any international organization in which the Hong Kong Government participates or any public body. Applications for PVRMs will also be refused if the Commissioner considers that the proposed PVRMs may cause danger to the safety of road users or are confusing for the purposes of law enforcement.
- (d) If an application is accepted, the proposed PVRM will be offered for sale by auction subject to a reserve price of \$5,000. If a PVRM is auctioned to a person other than the applicant, the deposit will be refunded to the applicant. If the PVRM is not sold at auction, the PVRM will be allocated to the applicant and the deposit paid will be taken as the price paid by him.
- (e) Certain popular PVRM combinations, for example, single letters and two identical letters placed side by side excluding the letters “I”, “O” and “Q”, will be reserved for auctioning. PVRMs proposed by applicants which fall within the reserved combinations will not be approved.

- (f) A certificate of allocation of PVRM will be issued to the successful bidder or the applicant. A person to whom a PVRM is allocated is required to assign the PVRM to a motor vehicle within 12 months after the date of its allocation.
 - (g) The Commissioner may cancel the allocation of a PVRM at any time after that allocation should it be found afterwards that the mark is not or is no longer appropriate for allocation. In such circumstances, the PVRM holder will be refunded the full amount of the price paid for the PVRM and offered an OVRM at no charge. A person aggrieved by the Commissioner's decision to cancel the allocation of a PVRM may appeal to the Administrative Appeals Board against such decision
8. Other provisions of the Bill relate to the display requirements for PVRMs, the procedures to be followed when a vehicle assigned with a PVRM is transferred, broken up, destroyed or exported, the penalties for a PVRM holder's contravention of certain requirements, the transitional provisions and consequential amendments.
9. While the revenue generated from the auction of OVRMs and SVRMs is credited to the Lotteries Fund, the Administration intends that the proceeds from the auction of PVRMs will form part of the general revenue.
10. If enacted, the Bill will come into operation on a day to be appointed by the Secretary for Financial Services and the Treasury by notice published in the Gazette.

Public Consultation

11. It is not specifically mentioned in the LegCo Brief that the public has been consulted. However, according to paragraph 6 of the Brief, the trade and members of the public have expressed views on the level of deposit payable for PVRM applications. Overall speaking, there appeared to be greater support for a lower deposit level.

Consultation with LegCo Panel

12. The Panel on Financial Affairs ("FA Panel") discussed at its meeting on 10 November 2004 the Administration's proposed PVRM Scheme. At the meeting, members expressed various concerns about the Scheme, particularly about the level of deposit, the cost-effectiveness of the Scheme, its impact on the income of the Lotteries Fund and its impact on law enforcement. Some members were concerned about the impact of the Scheme on intellectual property rights. Some members of the FA Panel stated objection to the proposed Scheme, and some doubted the effectiveness of the Scheme in raising revenue and whether the proposal was worth supporting. Given that a majority of the members present at the meeting on 10 November 2004 did not support the proposed Scheme, the Chairman of the FA Panel urged the Administration to review

its proposal, taking into account members' views and concerns expressed at the meeting. Some members also indicated that they considered it inappropriate for the Administration to introduce the relevant bill into LegCo without the support of the Panel.

13. At the request of the Chairman of the FA Panel, the Administration subsequently provided a paper advising the Panel of the outcome of its review. The information paper was circulated to members of the Panel and all non-Panel Members vide LC Paper No. CB(1)1423/04-05(01) on 3 May 2005. According to the Administration, it has reviewed the features of the proposed PVRM Scheme in the light of Members' views and has appropriately reflected those views in the Bill.

Conclusion

14. In the light of the views and concerns expressed by members of the FA Panel, Members may decide to form a Bills Committee to study the Bill in detail.

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