

## **LEGISLATIVE COUNCIL BRIEF**

### **Dutiable Commodities Ordinance (Chapter 109)**

DUTIABLE COMMODITIES (FEE REVISION) (No. 2) REGULATION 2006

### **Firearms and Ammunition Ordinance (Chapter 238)**

FIREARMS AND AMMUNITION (FEE REVISION) REGULATION 2006

FIREARMS AND AMMUNITION (REVISION OF STORAGE FEES) ORDER 2006

### **Pawnbrokers Ordinance (Chapter 166)**

PAWNBROKERS (FEE REDUCTION) REGULATION 2006

## **INTRODUCTION**

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) to vary fees which have previously been set by subsidiary legislation made by the Chief Executive in Council. Section 46(2) of the Firearms and Ammunition Ordinance (Cap. 238) also empowers the Financial Secretary to prescribe the storage fees for arms, ammunition or imitation firearms stored by the Commissioner of Police.

2. In exercise of these powers, the Secretary for Financial Services and the Treasury has made the Amendment Regulations/Order, as set out at *Annexes A to D*, to revise the fees specified in the following subsidiary legislation:

- (a) Dutiable Commodities Regulations made pursuant to the Dutiable Commodities Ordinance;
- (b) Firearms and Ammunition Regulations and Firearms and Ammunition (Storage Fees) Order, both made pursuant to the Firearms and Ammunition Ordinance; and
- (c) Pawnbrokers Regulations made pursuant to the Pawnbrokers Ordinance.

## **BACKGROUND AND ARGUMENT**

3. The fee for the issue of a temporary liquor licence is prescribed in the Dutiable Commodities Regulations. The fees payable for various licences in relation to firearms and ammunition are prescribed in the Firearms and Ammunition

Regulations. The storage fees for arms, ammunition and imitation firearms are prescribed in the Firearms and Ammunition (Storage Fees) Order. The fee for the issue or renewal of a pawnbroker licence is prescribed in the Pawnbroker Regulations. These fees were last revised in January 2001.

4. It is Government policy that fees should in general be set at levels sufficient to recover the full costs of providing the services. In line with this “user pays” principle, the Financial Secretary, in the 2004-05 Budget Speech, indicated the need to resume the revision of government fees and charges. The latest costing review at 2005-06 prices shows that most of the fees payable under the aforesaid Regulations/Order are not adequate to recover the full costs of providing the services. Details of the cost computations are set out at *Annex E*.

5. To alleviate the impact of the fee increases on the users of the services concerned, we propose to increase most of the fees by 2% to 20% with a view to achieving full-cost recovery within three to seven years. In the case of an arms dealer’s licence under Item 3(c) of the Second Schedule of the Firearms and Ammunition Regulations and a pawnbroker licence under Second Schedule of the Pawnbrokers Regulations, we propose to reduce the fees by 18% and 24% respectively to reflect the reduced full cost of providing the service at 2005-06 prices. Details of the existing and proposed fees are set out in *Annex F*.

## **THE REGULATIONS/ORDER**

6. The Amendment Regulations/Order revise the fees set out at *Annex F*. We propose that the new fees should come into effect on 29 April 2006.

## **EFFICIENCY INITIATIVES**

7. The Hong Kong Police Force regularly reviews the arrangements for handling applications of various licensing activities under its purview with a view to improving efficiency and effectiveness. The Force has put the application forms for pawnbrokers licence and temporary liquor licence onto the Government website for applicants to download directly; and has been reviewing the application forms for the arms licences and permits. It has also issued comprehensive guidance notes on the application procedures for the arms licences and permits with a view to streamlining work procedures.

## **BASIC LAW AND HUMAN RIGHTS IMPLICATIONS**

8. The proposal is in conformity with the Basic Law, including the provisions concerning human rights.

## **BINDING EFFECT OF THE LEGISLATION**

9. The Amendment Regulations/Order do not affect the binding effect of the respective principal Ordinances and Regulations/Order referred to in paragraph 2 above.

## **FINANCIAL AND STAFFING IMPLICATIONS**

10. Additional revenue to be generated from the proposed fee revision is estimated to be \$172,420 per annum. There are no staffing implications.

## **ECONOMIC IMPLICATIONS**

11. The fee adjustments are small in dollar terms and are unlikely to have material impact on the operating costs of the businesses concerned. The overall economic impact is expected to be insignificant.

## **PUBLIC CONSULTATION**

12. We issued to the Panel on Security of the Legislative Council on 27 June 2005 a note explaining the proposals for these and other fees. The Panel did not ask to discuss these fees.

## **PUBLICITY**

13. The Amendment Regulations/Order will be published in the Gazette on 3 March 2006. A spokesman will be available to answer any enquiries on this subject.

## **ENQUIRIES**

14. For enquiries relating to this brief, please contact Miss Anna CHOR, Assistant Secretary for Security at telephone number 2810 2068.

**Security Bureau**  
**March 2006**

**DUTIABLE COMMODITIES (FEE REVISION) (NO. 2)  
REGULATION 2006**

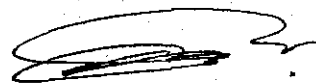
(Made by the Secretary for Financial Services and the Treasury  
under section 29A of the Interpretation and General Clauses  
Ordinance (Cap. 1) by virtue of section 6 of the Dutiable  
Commodities Ordinance (Cap. 109))

**1. Commencement**

This Regulation shall come into operation on 29 April 2006.

**2. Licences and fees**

Part II of the Schedule to the Dutiable Commodities Regulations (Cap. 109 sub. leg. A) is amended in item 6 by repealing "290" and substituting "335".



Secretary for Financial Services and  
the Treasury

14 February 2006

**Explanatory Note**

This Regulation increases the fee payable for a temporary liquor licence under the Dutiable Commodities Regulations (Cap. 109 sub. leg. A).

## FIREARMS AND AMMUNITION (FEE REVISION) REGULATION 2006

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 52 of the Firearms and Ammunition Ordinance (Cap. 238))

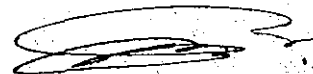
### 1. Commencement

This Regulation shall come into operation on 29 April 2006.

### 2. Fees

The Second Schedule to the Firearms and Ammunition Regulations (Cap. 238 sub. leg. A) is amended –

- (a) in item 1, by repealing “355” and substituting “410”;
- (b) in item 2(b), by repealing “135” and substituting “160”;
- (c) in item 2(c), by repealing “1,355” and substituting “1,560”;
- (d) in item 2A, by repealing “50” and substituting “60”;
- (e) in item 3(a), by repealing “3,385” and substituting “3,890”;
- (f) in item 3(b), by repealing “4,050” and substituting “4,150”;
- (g) in item 3(c), by repealing “12,000” and substituting “9,860”;
- (h) in items 4 and 5, by repealing “50” and substituting “60”.



Secretary for Financial Services and  
the Treasury

14 February 2006

### Explanatory Note

This Regulation increases the fee payable for –

- (a) the grant of an exemption from the prohibition on possessing arms or ammunition without a licence;
- (b) the issue or renewal of licences;
- (c) the amendment of a licence or a condition of a licence; or
- (d) the replacement of a licence or an exemption.

under the Firearms and Ammunition Regulations (Cap. 238 sub. leg. A). The Regulation also reduces the fee payable for the issue or renewal of a dealer's licence in certain circumstances.

## FIREARMS AND AMMUNITION (REVISION OF STORAGE FEES) ORDER 2006

(Made by the Secretary for Financial Services and the Treasury under section 46(2) of the Firearms and Ammunition Ordinance (Cap. 238))

### 1. Commencement

This Order shall come into operation on 29 April 2006.

### 2. Schedule amended

The Schedule to the Firearms and Ammunition (Storage Fees) Order (Cap. 238 sub. leg. B) is amended –

- (a) in items 1, 2 and 3, by repealing “90” and substituting “105”;
- (b) in item 4, by repealing “70” and substituting “81”.



Secretary for Financial Services and  
the Treasury

14 February 2006

### Explanatory Note

This Order increases the fee payable for the storage of arms, imitation firearms or ammunition and for the storage of arms and ammunition awaiting transshipment under the Firearms and Ammunition Ordinance (Cap. 238).

**PAWNBROKERS (FEE REDUCTION)  
REGULATION 2006**

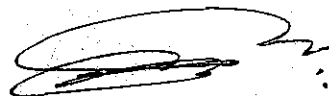
(Made by the Secretary for Financial Services and the Treasury  
under section 29A of the Interpretation and General Clauses  
Ordinance (Cap. 1) by virtue of section 26 of the  
Pawnbrokers Ordinance (Cap. 166))

**1. Commencement**

This Regulation shall come into operation on 29 April 2006.

**2. Second Schedule amended**

Part I of the Second Schedule to the Pawnbrokers Regulations (Cap. 166  
sub. leg. A) is amended by repealing "4,600" and substituting "3,480".



Secretary for Financial Services and  
the Treasury

~~14~~ February 2006

**\* Explanatory Note**

This Regulation reduces the fee payable for the grant or renewal of a  
pawnbrokers licence under the Pawnbrokers Regulations (Cap. 166 sub. leg. A).



**COST COMPUTATION****Hong Kong Police Force****Fee for issue of a temporary liquor licence (per day)  
under Dutiable Commodities Regulations (Cap. 109, sub.leg.)****Cost at 2005-06 Prices  
(for processing one application)**

Staff Costs	\$ 547
Departmental Expenses	10
Accommodation Costs	20
Central Administrative Overhead	6
<b>Unit Cost</b>	<hr/> <b>583</b> <hr/>
Existing fee	290
<b>Proposed fee</b>	<b>335</b>

## COST COMPUTATION

### Hong Kong Police Force

#### Fees under Firearms and Ammunition Regulations (Cap. 238, sub.leg.)

#### Cost at 2005-06 Prices (for processing one application)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Costs	531	679	3,060	391	4,835	3,526	8,891	189	136
Departmental Expenses	11	22	53	8	84	61	150	4	3
Accommodation Costs	22	22	93	15	160	122	298	7	6
Cost of Services Provided by Other Departments	0	0	0	0	309	407	428	0	0
Central Administrative Overhead	6	7	33	4	52	38	96	2	2
<b>Unit Cost</b>	<b>570</b>	<b>730</b>	<b>3,239</b>	<b>418</b>	<b>5,440</b>	<b>4,154</b>	<b>9,863</b>	<b>202</b>	<b>147</b>
Existing fee	355	135	1,355	50	3,385	4,050	12,000	50	50
<b>Proposed fee</b>	<b>410</b>	<b>160</b>	<b>1,560</b>	<b>60</b>	<b>3,890</b>	<b>4,150</b>	<b>9,860</b>	<b>60</b>	<b>60</b>

#### Legend

- (1) Fee for an exemption under section 4(3) of the Ordinance (per permit)
- Fee for the issue or the renewal of a licence for possession
- (2) ● granted to a security guard (per annum)
- (3) ● subject to item 4, in any other case (per annum)
- (4) Fee for the issue of a licence for possession or a dealer's licence granted for a limited purpose under section 30(1) of the Ordinance (per licence)
- Fee for the issue or renewal of a dealer's licence:
- (5) ● restricted to a prescribed class or description of arms or ammunition or both (per annum)
- (6) ● restricted to used cartridge cases, used shot, used bullets, used missiles or parts of any of those
- (7) articles (per annum)
- subject to item 4, in any other cases (per annum)
- (8) Fee for the amendment of a licence or a condition thereof
- (9) Fee for the replacement of a licence or an exemption

**COST COMPUTATION****Hong Kong Police Force****Fees under Firearms and Ammunition (Storage Fees) Order (Cap. 238, sub.leg.)****Cost at 2005-06 Prices  
(for processing one application)**

	(1)	(2)	(3)	(4)
	\$	\$	\$	\$
Staff Costs	133	133	133	133
Departmental Expenses	3	3	3	3
Accommodation Costs	6	6	6	6
Central Administrative Overheads	2	2	2	2
<b>Unit Cost</b>	<b>144</b>	<b>144</b>	<b>144</b>	<b>144</b>
Existing fee	90	90	90	70
<b>Proposed fee</b>	<b>105</b>	<b>105</b>	<b>105</b>	<b>81</b>

**Legend**

- (1) Fee for storing arms (for each article for each month or part thereof)
- (2) Fee for storing imitation firearms (for each article for each month or part thereof)
- (3) Fee for storing ammunition (for each 100 rounds of ammunition or part thereof, for each month or part thereof)
- (4) Fee for storing of arms and ammunition awaiting transshipment where the arms and ammunition are stored in a box, crate or similar container (for each 50 kg gross weight or part thereof, for each month or part thereof)

**COST COMPUTATION****Hong Kong Police Force****Fee for issue or renewal of a pawnbroker licence (per annum)  
under Pawnbrokers Regulations (Cap. 166, sub.leg.)****Cost at 2005-06 Prices  
(for processing one application)**

	\$
Staff Costs	2,622
Departmental Expenses	52
Accommodation Costs	94
Cost of Services Provided by Other Departments	684
Central Administrative Overheads	28
<b>Unit Cost</b>	<b>3,480</b>
Existing fee	4,600
<b>Proposed fee</b>	<b>3,480</b>

## Annex F

### Existing and Proposed Fees

<b>Item</b>	<b>Existing Fee (\$)</b>	<b>Proposed Fee (\$)</b>
<b><u>Dutiable Commodities Regulations (Cap. 109, sub. leg.)</u></b>		
6. Fee for a temporary liquor licence (per day)	290	<b>335</b>
<b><u>Firearms and Ammunition Regulations (Cap. 238, sub. leg.)</u></b>		
1. Fee for an exemption under section 4(3) of the Ordinance (per permit)	355	<b>410</b>
2. Fee for the issue or the renewal of a licence for possession :		
b) granted to a security guard (per annum)	135	<b>160</b>
c) subject to item 2A, in any other case (per annum)	1,355	<b>1,560</b>
2A. Fee for the issue of a licence for possession or a dealer's licence granted for a limited purpose under section 30(1) of the Ordinance (per licence)	50	<b>60</b>
3. Fee for the issue or renewal of a dealer's licence :		
a) restricted to a prescribed class or description of arms or ammunition or both (per annum)	3,385	<b>3,890</b>
b) restricted to used cartridge cases, used shot, used bullets, used missiles or parts of any of those articles (per annum)	4,050	<b>4,150</b>
c) subject to item 2A, in any other case (per annum)	12,000	<b>9,860</b>
4. Fee for the amendment of a licence or a condition thereof	50	<b>60</b>
5. Fee for the replacement of a licence or an exemption	50	<b>60</b>

<b>Item</b>	<b>Existing Fee (\$)</b>	<b>Proposed Fee (\$)</b>
<b><u>Firearms and Ammunition (Storage Fees) Order (Cap. 238, sub.leg.)</u></b>		
1. Fee for storing arms (for each article for each month or part thereof)	90	<b>105</b>
2. Fee for storing imitation firearms (for each article for each month or part thereof)	90	<b>105</b>
3. Fee for storing ammunition (for each 100 rounds of ammunition or part thereof, for each month or part thereof)	90	<b>105</b>
4. Fee for storage of arms and ammunition awaiting transshipment where the arms and ammunition are stored in a box, crate or similar container (for each 50 kg gross weight or part thereof, for each month or part thereof)	70	<b>81</b>
<b><u>Pawnbrokers Regulations (Cap. 166, sub. leg.)</u></b>		
1. Fee for the issue or renewal of a pawnbroker licence (per annum)	4,600	<b>3,480</b>