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From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 7 February 2007

Proposed resolution under the Import and Export Ordinance

I forward for Members' consideration a proposed resolution which the Secretary for Commerce, Industry and Technology will move at the Council meeting of 7 February 2007 under the Import and Export Ordinance. The President has directed that "it be printed in the terms in which it was handed in" on the Agenda of the Council.

2. The speech, in both English and Chinese versions, which the Secretary for Commerce, Industry and Technology will deliver when moving the proposed resolution, is also attached.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

IMPORT AND EXPORT ORDINANCE

RESOLUTION

(Under section 31(4) of the Import and Export Ordinance (Cap. 60))

RESOLVED that the Import and Export (Registration)(Amendment) Regulation 2007, made by the Chief Executive in Council on 16 January 2007, be approved.

IMPORT AND EXPORT (REGISTRATION) (AMENDMENT) REGULATION 2007

(Made by the Chief Executive in Council under section 31 of the Import and Export Ordinance (Cap. 60) subject to the approval of the Legislative Council)

1. Charges payable on lodgement of declarations

Regulation 8 of the Import and Export (Registration) Regulations (Cap. 60 sub. leg. E) is amended by adding –

“(4) No charge shall be payable under paragraph (1)(*b*), (*c*) or (*d*) in respect of a declaration relating to gold bars within the meaning of the Imports and Exports Classification List.”.

Clerk to the Executive Council

COUNCIL CHAMBER

16 January 2007

Explanatory Note

This Regulation amends the Import and Export (Registration) Regulations (Cap. 60 sub. leg. E) (the “principal Regulations”).

2. Under regulations 4 and 5 of the principal Regulations, every person who imports, exports or re-exports any article other than an exempted article as set out in regulation 3 of the principal Regulations is required to lodge with the Commissioner of Customs and Excise an accurate and complete import or export

declaration relating to such article within 14 days after the importation or exportation of the article.

3. Under regulation 8 of the principal Regulations, every person who lodges an import or export declaration shall pay certain prescribed charges.

4. The Regulation amends regulation 8 of the principal Regulations to exempt any person who lodges an import or export declaration relating to gold bars within the meaning of the Imports and Exports Classification List from payment of the charges under that regulation.

(Translation)

**Speech by the Secretary for Commerce, Industry and Technology
In Legislative Council on 7 February 2007**

Import and Export (Registration) (Amendment) Regulation 2007

Madam President,

I move that the motion as set out under my name on the Agenda be passed.

2. The Financial Secretary announced in his Budget Speech in February 2006 that the Administration would consider providing a concession in trade declaration charges for gold with a view to supporting the development of Hong Kong as a logistics hub and gold trading centre, alongside with the Hong Kong Airport Authority's proposal to establish a gold depository at the Hong Kong International Airport. In this connection, we propose that an exemption be given to the declaration charge on the declarations of imports, exports and re-exports of gold bars.

3. Under the Import and Export (Registration) Regulations, importers or exporters are generally required to lodge with the Commissioner of Customs and Excise a declaration of imported, exported and re-exported articles including gold and pay a declaration charge on lodgment of such declarations.

4. We propose to amend regulation 8 of the Regulations to exempt any person who lodges an import, export or re-export declaration relating to gold bars within the meaning of the Hong Kong Imports and Exports Classification List (Harmonized System) from the payment of the declaration charge under the same regulation. The specification for the eligible gold bars will be made accordingly in the above Classification List, which details the commodity classification systems for traders to complete trade declarations and is updated by the Commissioner of Customs and Excise whenever necessary by notices published in the Gazette.

5. The proposed exemption will enhance Hong Kong's competitiveness in the international gold market by reducing the relevant transaction costs and thereby putting us on a par with other major gold trading centres such as the United Kingdom.

6. As the internationally acceptable trading standard for gold bars is currently 995.0 fineness or above, we propose that the gold bars eligible for the exemption should conform to this standard. Moreover, to enable us to quickly respond to possible changes in the trading standards for gold bars in the future, we do not propose to stipulate in the Regulations a definition or specification for the gold bars.

7. We estimate that the proposed exemption will have a revenue implication for the Government of about \$5.1 million per year. However, the proposal will facilitate Hong Kong's further development as a leading gold trading centre and logistic hub and bring significant benefits to Hong Kong.

8. The Administration has discussed the proposal with the industry including the Chinese Gold and Silver Exchange Society, the Airport Authority and the Legislative Council Panel on Commerce and Industry. The proposal has their support.

9. Madam President, I beg to move that the motion be passed and hope that it has Members' support.