

A BILL

To

Amend the Dutiable Commodities Ordinance to lower the rates of duty on two types of liquors and provide for related matters.

Enacted by the Legislative Council.

1. Short title

This Ordinance may be cited as the Dutiable Commodities (Amendment) Ordinance 2008.

2. Commencement

This Ordinance shall be deemed to have come into operation at 11:00 a.m. on 27 February 2008.

3. Interpretation

(1) Section 2(1) of the Dutiable Commodities Ordinance (Cap. 109) is amended, in the English text, in the definition of “warehouse”, by repealing the full stop and substituting a semicolon.

(2) Section 2(1) is amended by adding—

““zero-rated goods” (零稅率貨品) means goods the rate of duty on which as set out in Part I of Schedule 1 is 0% of the value of the goods.”.

4. Section added

The following is added—

“2A. Zero-rated goods

(1) If on a licence or permit relating to zero-rated goods, the Commissioner or another officer has under section 7(1)(b)(v) endorsed that the duty on the goods is 0% of the value of the goods, the goods shall be regarded as duty-paid goods for the purposes of this Ordinance.

(2) Unless the context otherwise requires, any reference to dutiable goods in this Ordinance shall be construed as also including zero-rated goods for which there is no licence or permit with an endorsement referred to in subsection (1).”.

5. Grant and revocation of licences and permits

Section 7(1)(b) is amended by adding—

“(v) where the licence or permit relates to any zero-rated goods, endorse on the licence or permit that the duty on the goods is 0% of the value of the goods;”.

6. Duty exempt goods dutiable in certain cases

Section 38A is amended by adding—

“(3) This section does not apply to any zero-rated goods exempted under regulation 12(1)(eb) or (ec) of the Dutiable Commodities Regulations (Cap. 109 sub. leg. A).”.

7. Schedule 1 amended

(1) Schedule 1 is amended by repealing “[ss.” and substituting “[ss. 2(1),”.

(2) Schedule 1 is amended, in paragraph 1 of Part I, under the column headed “Rate”—

(a) by repealing “20%” and substituting “0%”;

(b) by repealing “40%” and substituting “0%”.

Dutiable Commodities Regulations**8. Exemptions**

(1) Regulation 12(1)(ea) of the Dutiable Commodities Regulations (Cap. 109 sub. leg. A) is amended by adding “(not being zero-rated goods)” after “alcoholic liquor”.

- (2) Regulation 12(1) is amended by adding—
- “(eb) zero-rated goods which are—
 - (i) imported by a passenger or crew member of any ship, aircraft, train or vehicle in his baggage;
 - (ii) imported by any person (whether or not he is a passenger or crew member referred to in subparagraph (i)) for his own use; or
 - (iii) bought by a passenger or crew member referred to in subparagraph (i) at a licensed warehouse located at any place approved by the Commissioner in the arrival area at an entry point in Hong Kong;
 - (ec) zero-rated goods which—
 - (i) have a value (calculated by reference to section 26A of the Ordinance) of less than \$5,000; and
 - (ii) are imported by any person in a single commercial shipment;”.

9. Licences and fees

The Schedule is amended, in item 3(b) of Part I, by repealing “Import” and substituting “For goods which do not consist of zero-rated goods, import”.

Dutiable Commodities (Exempted Quantities) Notice

10. Quantities of alcoholic liquor and tobacco exempted from duty

Section 1(1) of the Dutiable Commodities (Exempted Quantities) Notice (Cap. 109 sub. leg. G) is amended by adding “(not being zero-rated goods)” after “alcoholic liquor”.

Explanatory Memorandum

The main purpose of this Bill is to amend the Dutiable Commodities Ordinance (Cap. 109) (“the Ordinance”) to give effect to the proposal in the 2008–2009 Budget to lower the rates of duty on two types of liquors.

2. Clause 1 sets out the short title to the Bill.

3. Clause 2 provides that the Bill when enacted will be deemed to have come into operation at 11:00 a.m. on 27 February 2008.

4. Clause 7 amends Part I of Schedule 1 to the Ordinance to—
 - (a) lower the rate of duty on liquor (other than wine) with an alcoholic strength of not more than 30% by volume measured at a temperature of 20°C from 20% of its value to 0%; and
 - (b) lower the rate of duty on wine from 40% of its value to 0%.
5. The other clauses amend the Ordinance and its subsidiary legislation on related matters. In particular—
 - (a) clause 3 amends section 2(1) of the Ordinance by adding a definition of “zero-rated goods” (meaning goods the rate of duty on which as set out in Part I of Schedule 1 to the Ordinance is 0% of the value of the goods);
 - (b) clause 4 adds the new section 2A of the Ordinance to clarify when the provisions in the Ordinance relating to dutiable goods and duty-paid goods apply to zero-rated goods;
 - (c) clause 5 amends section 7(1)(b) of the Ordinance to empower the Commissioner of Customs and Excise or an officer deputed by him to endorse on a licence or permit relating to zero-rated goods that the duty on the goods is 0% of the value of the goods;
 - (d) clause 6 amends section 38A of the Ordinance to clarify that that section does not apply to zero-rated goods exempted under the new regulation 12(1)(eb) or (ec) of the Dutiable Commodities Regulations (Cap. 109 sub. leg. A);
 - (e) clause 8 adds the new regulation 12(1)(eb) and (ec) of the Dutiable Commodities Regulations (Cap. 109 sub. leg. A) to exempt certain zero-rated goods;
 - (f) clause 9 amends item 3(b) of Part I of the Schedule to the Dutiable Commodities Regulations (Cap. 109 sub. leg. A) to clarify that the fee prescribed in that item only applies to an import licence for goods that do not consist of zero-rated goods;
 - (g) clause 10 amends section 1(1) of the Dutiable Commodities (Exempted Quantities) Notice (Cap. 109 sub. leg. G) to clarify that the references to “alcoholic liquor” in that Notice do not include zero-rated goods.