

政府總部
香港下亞厘畢道



GOVERNMENT SECRETARIAT
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2 May 2008

The Hon Miriam Lau Kin-ye, GBS, JP
Chairman
House Committee
Legislative Council
8 Jackson Road, Central
Hong Kong

Dear *Miriam*,

House Committee Meeting on 9 May 2008

Dutiable Commodities (Amendment) Bill 2008 and Dutiable Commodities (Amendment) (No. 2) Bill 2008

The above two Bills will be introduced into the Council for first and second readings on 7 May 2008. The House Committee will consider at its meeting on 9 May 2008 if they should be referred to Bills Committees for scrutiny.

I write to suggest that the Bills be dealt with by one Bills Committee if Members consider that both Bills should be referred to Bills Committees for scrutiny.

The Dutiable Commodities (Amendment) Bill 2008 ("the first Amendment Bill") and the Dutiable Commodities (Amendment) (No. 2) Bill 2008 ("the second Amendment Bill") seek jointly to give effect to the proposal announced in the 2008-09 Budget of reducing the duty for wine and certain other alcoholic beverages to 0%, and removing the related administrative controls. Specifically, the first Amendment Bill provides for the reduction of duty for wine from 40% to 0%, and that for non-wine alcoholic beverages with an alcoholic strength of not more than 30% (mainly beer) from 20% to 0%, and the temporary retention of the

licensing/permit arrangements needed to keep track of the movement of these goods for duty collection purposes (to deal with the situation where the proposal is eventually not adopted). The proposals contained in the first Amendment Bill have been given immediate effect under the Public Revenue Protection Order 2008, made by the Chief Executive in Council on 27 February 2008. The proposals will cease to have effect on 27 June 2008, unless the first Amendment Bill is enacted on or before that date.

The second Amendment Bill provides for the longer-term suspension of the licensing/permit arrangements hitherto required for import/export, storage, manufacturing and movement of the selected alcoholic liquors for the purpose of duty collection, until and unless the duty rates concerned are changed to be higher than 0%. Given their nature, the proposals contained in the second Amendment Bill are not provided for in the Public Revenue Protection Order 2008 referred to above, and have to be taken forward by a separate Bill. However, as the proposals in both Bills are part and parcel of the same Budget proposal, and to facilitate Members to consider the proposals as a package, we would like to suggest for Members' consideration that if Members decide to refer both Bills to Bills Committees for scrutiny, both Bills should be handled by one Bills Committee.

Tarso Luis,

Jennifer Mak

(Miss Jennifer Mak)

Director of Administration

cc Clerk to the House Committee