

立法會

Legislative Council

LC Paper No. LS101/07-08

Paper for the House Committee Meeting on 27 June 2008

Legal Service Division Report on Proposed Resolution under section 4(2) of the Dutiable Commodities Ordinance (Cap. 109)

The Secretary for Transport and Housing (the Secretary) has given notice to move a motion under section 4(2) of the Dutiable Commodities Ordinance (Cap. 109) (the Ordinance) at the meeting of the Legislative Council on 9 July 2008.

2. Paragraph 1B of Part III under Schedule 1 to the Ordinance provides that duty shall be payable on Euro V diesel at the following rates—

- (a) from 1 December 2007 to 30 November 2009 (both dates inclusive), at \$0.56 per litre; and
- (b) from 1 December 2009, at \$2.89 per litre.

The current duty concession on Euro V diesel is due to expire at the end of 2009.

3. The purpose of the motion is to seek the Council's approval to amend paragraph 1B of Part III under Schedule 1 to the Ordinance by lowering the duty to be payable on Euro V diesel from 14 July 2008, at \$0 per litre.

4. Members may refer to the Secretary's Speech annexed to the draft Resolution for background information.

5. The Panel on Economic Development was briefed on the legislative proposal to exempt the duty for Euro V diesel at the meeting on 23 June 2008. Members in general supported the proposal in order to help alleviate the impact of rising fuel costs on the transport and logistics sectors. They considered that the Administration should actively examine other measures to help the affected sectors and the public to tide over the difficult period. Some members have urged the Administration to consider providing tax relief for Ultra Low Sulphur Diesel, and for petrol to help private car owners. To ensure that the exemption of diesel duty would benefit the sectors, members had called on the Administration to strengthen the monitoring over oil companies and put in place effective measures to ensure the oil

companies will pass on the benefits of the duty exemption to consumers. Moreover, members have urged the Administration to expedite the introduction of a competition law to combat anti-competitive conduct of oil companies and to enhance competition in the fuel market.

6. The draft Resolution is legally in order.

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24 June 2008

LS/R/13/07-08