

## **LEGISLATIVE COUNCIL BRIEF**

Rating Ordinance  
(Chapter 116)

### **Rating (Exemption)(No. 2) Order 2007**

#### **INTRODUCTION**

At the meeting of the Executive Council on 13 November 2007, the Council ADVISED and the Chief Executive ORDERED that, under section 36(2) of the Rating Ordinance, the Rating (Exemption) (No. 2) Order 2007 (“the Order”) (at Annex) should be made to exempt all tenements from the payment of rates for the last quarter of the 2007-08 financial year, subject to a limit of \$5,000 per tenement.

#### **JUSTIFICATIONS**

2. Section 36(2) of the Rating Ordinance provides that the Chief Executive in Council may, by order, declare any class of tenements, or parts thereof, or any part of Hong Kong to be exempted from the payment of rates wholly or in part. Therefore, an order under this section has to be made by the Chief Executive in this Council to implement the rates exemption announced in the 2007 Policy Address. Such an order is a subsidiary legislation subject to Legislative Council’s negative vetting.

#### **THE ORDER**

3. The purpose of the Order is to declare, under Section 36(2) of the Rating Ordinance, all tenements in Hong Kong to be exempted from the payment of rates in respect of the period from 1 January 2008 to 31 March 2008 up to certain amounts.

The provisions are as follows –

- (a) section 1 provides for the commencement date of the Order;
- (b) section 2 defines the concession period as the period from 1 January 2008 to 31 March 2008 (both dates inclusive); and
- (c) section 3 provides that a tenement included in the prevailing valuation list will be exempted from the payment of rates in respect of the concession period as defined by clause 2 up to the limit of \$5,000. It also provides that the limit of \$5,000 will be reduced on a pro rata basis if rates are payable for only part of the concession period.

#### **LEGISLATIVE TIMETABLE**

4. The Order will be gazetted on 23 November 2007 and will be tabled in the Legislative Council on 28 November 2007 for negative vetting. The Order will commence on 1 January 2008.

#### **IMPLICATIONS OF THE PROPOSAL**

5. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. The proposal is a means of returning wealth to the people. When implemented, it would also help to lower the Composite Consumer Price Index in 2008 by 0.3 percentage point. The proposal will not affect the binding effect of the existing provisions of the respective ordinance and its subsidiary legislation. It has no productivity, environmental, civil service or sustainability implications.

#### **FINANCIAL AND STAFFING IMPLICATIONS**

6. The proposed rates exemption would cost the Government \$2,601 million in 2007-08. The proposal has no staffing implications.

#### **PUBLIC CONSULTATION**

7. Owing to the confidentiality of the Policy Address, no formal consultation was done on the proposed rates exemption.

## **PUBLICITY**

8. A press release will be issued. A spokesman will be available to answer media and public enquiries.

## **ENQUIRIES**

9. Any enquiry on this brief can be addressed to Mr Kenneth Cheng, Principal Assistant Secretary for Financial Services and the Treasury (Treasury)(Revenue) (Tel: 2810 2370).

Treasury Branch  
Financial Services and the Treasury Bureau  
15 November 2007

**RATING (EXEMPTION)(NO. 2) ORDER 2007**

(Made by the Chief Executive in Council under section 36(2) of the Rating Ordinance (Cap. 116))

**1. Commencement**

This Order shall come into operation on 1 January 2008.

**2. Interpretation**

In this Order, “concession period” (寬免期) means the period from 1 January 2008 to 31 March 2008 (both dates inclusive).

**3. Exemption from payment of rates**

A tenement included in the prevailing valuation list is exempted from the payment of rates in respect of the concession period to the extent of an amount equal to the rates payable for that period or \$5,000, whichever is less. The amount of \$5,000 shall be reduced on a pro rata basis if rates are payable for only part of the concession period.

Clerk to the Executive Council

COUNCIL CHAMBER

2007

### **Explanatory Note**

This Order declares that all tenements are exempted from the payment of rates in respect of the period from 1 January 2008 to 31 March 2008 up to certain amounts.