

**方便營商諮詢委員會**

**Business Facilitation Advisory Committee**

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Our Ref.: FSO/BFD/3/2/11/3 Pt.12

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23 February 2009

Miss Becky Yu  
Clerk to Sub-committee on  
Product Eco-responsibility  
(Plastic Shopping Bags) Regulation  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central, Hong Kong

By fax: 2869 6794

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Dear Miss Yu,

**Subcommittee on Product Eco-responsibility  
(Plastic Shopping Bags) Regulation  
Meeting on 5 March 2009**

Thank you for your e-mail dated 20 February, inviting the Retail Task Force (RTF) of the Business Facilitation Advisory Committee to attend the above meeting to give views and/or provide written submission on the Product Eco-responsibility (Plastic Shopping Bags) Regulation. While no representative of the RTF will attend the Sub-committee meeting on 5 March 2009, we have the following comments on the Regulation and the implementation details of the environmental levy scheme on plastic shopping bags.

We understand that the affected traders support efforts to maintain a sustainable environment and have been making good efforts to reduce the use of plastic shopping bags on a voluntary basis. They doubt the effectiveness of the phased scheme given its limited coverage initially. They find the regulatory requirements complicated and have grave concerns about the additional administrative burden and compliance cost arising from the scheme. They urge the Administration to simplify the administration of the scheme. They also consider it fair for the Administration to compensate the affected

retailers with administrative fee for the additional administrative costs to be incurred by them under the scheme. They note that in Taiwan, the levy collected is retained by retailers themselves. They suggest that the Administration should learn from the successful experience on environmental levy of Taiwan and the Mainland.

The RTF has no objection in principle to the implementation of the scheme. We support the introduction of measures to facilitate the trade to reduce their compliance cost and administrative burden, while not compromising the effective administration of the scheme. We believe that if the Administration could rationalize the requirements under the scheme with due regard to the trade practice and business process, it will facilitate business compliance and make it easier to extend the scheme across the board.

We appreciate that the Administration has been working closely with the retail trade to sort out the implementation details and already proposed some relaxations to address the trade's concerns in drafting the Regulation. But we note that the trade still has some lingering concerns on the following issues –

(I) Third party operation

The Regulation provides for an exemption mechanism. Paragraph 6 of the Legislative Council brief sets out the five criteria for clearly establishing the fact that the business of a third party is not carried on by a registered retailer. The trade notes that the requirement of "operating under a separate business registration at the location in question" is not strictly in line with the current trade practice. In fact, most of the retail operations within a retail outlet reportedly do not have separate branch registration certificates. It is recommended to further review and refine the proposed exemption arrangements for third party operation with the trade.

(II) Implementation date

The trade maintains their view that a six-month lead time on which the Regulation is passed is necessary to prepare for the launch of the scheme. Preparatory work such as IT system upgrades, review of internal operations, and briefing/training for staff is time-consuming.

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To facilitate the trade's planning and preparatory work, the RTF supports their requests that the Administration should allow sufficient lead time for preparatory work and provide a time line on key tasks in preparation for the scheme.

**(III) Other issues**

The RTF shares the trade's view that the Administration should establish clear key performance indicators to measure the effectiveness of the first phase of the scheme and map out concrete plans to extend the scheme. The Administration should also re-visit the issue of reimbursement of administrative cost to the trade as part of the review of the scheme one year after implementation.

We hope that further consideration could be given to these issues in the Sub-committee's scrutiny of the Regulation and in finalizing the implementation plan by the Administration.

We also hope that the Administration and the trade would continue to make good use of the Working Group to further thrash out the implementation details.

Yours sincerely,



(Yu Pang-chum)  
Convener

Retail Task Force  
Business Facilitation Advisory Committee

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