

LEGISLATIVE COUNCIL BRIEF

Shipping and Port Control Ordinance (Cap. 313)

SHIPPING AND PORT CONTROL (AMENDMENT) REGULATION 2009

Merchant Shipping (Registration) Ordinance (Cap. 415)

MERCHANT SHIPPING (REGISTRATION) (FEES AND CHARGES)
(AMENDMENT) REGULATION 2009

Merchant Shipping (Seafarers) Ordinance (Cap. 478)

MERCHANT SHIPPING (SEAFARERS) (FEES) (AMENDMENT)
REGULATION 2009

Merchant Shipping (Local Vessels) Ordinance (Cap. 548)

MERCHANT SHIPPING (LOCAL VESSELS) (FEES) (AMENDMENT)
REGULATION 2009

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) to vary fees which have previously been set by subsidiary legislation made by the Chief Executive in Council, including those under the Shipping and Port Control Ordinance and the Merchant Shipping (Registration) Ordinance. By virtue of section 133 of the Merchant Shipping (Seafarers) Ordinance and section 88 of the Merchant Shipping (Local Vessels) Ordinance, the Financial Secretary may make regulations for fees payable under these two ordinances.

2. In exercise of these powers, the Secretary for Financial Services and the Treasury has made four Amendment Regulations, as set out at

Annexes A to D to revise the fees specified in the following subsidiary legislation -

- (a) Shipping and Port Control Regulations (Cap. 313 sub. leg. A) made under the Shipping and Port Control Ordinance (the relevant Amendment Regulation at *Annex A*);
- (b) Merchant Shipping (Registration) (Fees and Charges) Regulations (Cap. 415 sub. leg. A) made under the Merchant Shipping (Registration) Ordinance (the relevant Amendment Regulation at *Annex B*);
- (c) Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB) made under the Merchant Shipping (Seafarers) Ordinance (the relevant Amendment Regulation at *Annex C*); and
- (d) Merchant Shipping (Local Vessels) (Fees) Regulation (Cap. 548 sub. leg. J) made under the Merchant Shipping (Local Vessels) Ordinance (the relevant Amendment Regulation at *Annex D*).

BACKGROUND AND JUSTIFICATIONS

3. High speed passenger craft plying exclusively within the river-trade limits and ocean-going vessels are required to pay the port fees prescribed in the Shipping and Port Control Regulations whereas vessels plying within the river-trade limits are charged the fees prescribed in the Merchant Shipping (Local Vessels) (Fees) Regulation. Shipowners who register their vessels with the Hong Kong Shipping Registry (HKSR) have to pay the annual tonnage charge for their vessels, and certain minor fee items prescribed in the Merchant Shipping (Registration) (Fees and Charges) Regulations. There are also some miscellaneous charges under the Merchant Shipping (Seafarers) (Fees) Regulation for the licensing of officers and employment of crew.

4. In line with the “user pays” principle, it is the Government’s established policy that fees and charges should in general be set at levels adequate to recover the full cost of providing the services concerned. A

recent costing review shows that there is room to reduce a total of 27 marine-related fees and charges under two fee groups, namely “Port and Light Dues and Related Activities for Ocean-going Vessels and River-trade Vessels” and “Hong Kong Shipping Register and Related Services”. They include -

- (a) reducing the port and arrival clearance fees charged on ocean-going vessels and vessels plying within the river-trade limits by 40%;
- (b) lowering the cap of the annual tonnage charges for ships registered in the HKSAR by 23%;
- (c) reducing the fee for the issue of licences to officers manning Hong Kong ships by 44%; and
- (d) waiving two types of registration fees and 20 types of Mercantile Marine Office miscellaneous charges under the ship registration and seafarers ordinances.

Details of the reduction proposal are at *Annex E*.

THE REGULATION

5. The Amendment Regulations revise the fees set out at *Annex E*. We propose that the new fees should come into effect on 10 July 2009.

EFFICIENCY INITIATIVES

6. Marine Department regularly reviews its day-to-day management and procedures with a view to reducing the cost of their services through implementing efficiency initiatives and streamlining procedures. Efficiency savings from these efforts have been factored into the calculation of the reduction proposed.

LEGISLATIVE TIMETABLE

7. The legislative timetable is as follows –

Publication in the Gazette	15 May 2009
Tabling at the Legislative Council	20 May 2009
Commencement	10 July 2009

BASIC LAW AND HUMAN RIGHTS IMPLICATIONS

8. The proposal is in conformity with the Basic Law, including the provisions concerning human rights.

BINDING EFFECT OF THE LEGISLATION

9. The Amendment Regulations do not affect the binding effect of the respective principal Ordinances referred to in paragraph 2 above.

FINANCIAL AND STAFFING IMPLICATIONS

10. The proposed fee reduction will lead to a reduction of around \$17.8 million in revenue per annum. There are no staffing implications.

ECONOMIC AND PRODUCTIVITY IMPLICATIONS

11. The proposed fee reduction would not only benefit all vessels entering the waters of Hong Kong and ship owners having their ship registered in the HKSR, it would also strengthen the competitiveness of the Hong Kong ports. Waiving the charges in relation to the employment, registration and certification of local seafarers would help lower the cost of industry participants. There is however no productivity implications.

ENVIRONMENTAL AND SUSTAINABILITY IMPLICATIONS

12. The proposed fee reduction has no environmental or sustainability implications.

PUBLIC CONSULTATION

13. We consulted the port and maritime industry through the established mechanism including the Port Operations Committee, the Local Vessels Advisory Committee, the Shipping Consultative Committee and the Customer Relations Group. The Legislative Council Panel of Economic Development was consulted on 27 April 2009. All parties consulted indicated support for the proposal.

PUBLICITY

14. A press release will be issued on 15 May 2009. A spokesman will be available to answer any enquiries on this subject.

ENQUIRIES

15. Any enquiry on this brief can be addressed to Miss Sian LI, Assistant Secretary for Transport and Housing (Transport)10B (Tel: 2537 2842).

Transport and Housing Bureau
May 2009

**SHIPPING AND PORT CONTROL (AMENDMENT)
REGULATION 2009**

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 80 of the Shipping and Port Control Ordinance (Cap. 313))

1. Commencement

This Regulation comes into operation on 10 July 2009.

2. Port dues and fees

The Thirteenth Schedule to the Shipping and Port Control Regulations (Cap. 313 sub. leg. A) is amended, in item 6(f), by repealing “97” and substituting “58”.



Secretary for Financial Services and
the Treasury

11 May 2009

Explanatory Note

This Regulation amends the Thirteenth Schedule to the Shipping and Port Control Regulations (Cap. 313 sub. leg. A) to reduce the prescribed fee payable for a port clearance permit.

**MERCHANT SHIPPING (REGISTRATION) (FEES
AND CHARGES) (AMENDMENT)
REGULATION 2009**

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 90 of the Merchant Shipping (Registration) Ordinance (Cap. 415))

1. Commencement

This Regulation comes into operation on 10 July 2009.

2. Schedule amended

The Schedule to the Merchant Shipping (Registration) (Fees and Charges) Regulations (Cap. 415 sub. leg. A) is amended –

- (a) in Part 1, in item 4, by repealing “440” and substituting “Nil”;
- (b) in Part 1, in item 16, by repealing “260” and substituting “Nil”;
- (c) in Part 3, in item 1(b), by repealing “\$100,000” and substituting “\$77,500”.



Secretary for Financial Services and
the Treasury

11 May 2009

Explanatory Note

This Regulation amends the Schedule to the Merchant Shipping (Registration) (Fees and Charges) Regulations (Cap. 415 sub. leg. A) to vary –

- (a) the prescribed fees payable for registering a transfer of mortgage, a transfer by bill of sale, a transmission, a mortgage, or a discharge of mortgage;
- (b) the prescribed fees payable for the grant of a new certificate of registry upon change of any of the particulars recorded in the register relating to a ship; and
- (c) the maximum annual tonnage charge of a registered ship.

MERCHANT SHIPPING (SEAFARERS) (FEES) (AMENDMENT) REGULATION 2009

(Made by the Secretary for Financial Services and the Treasury under
section 133 of the Merchant Shipping (Seafarers)
Ordinance (Cap. 478))

1. Commencement


This Regulation comes into operation on 10 July 2009.

2. Schedule amended

The Schedule to the Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB) is amended –

- (a) in Part II, in item 5, by repealing “715” and substituting “400”;
- (b) in Part III, in item 5(a), by repealing “535” and substituting “Nil”;
- (c) in Part III, in item 5(b), by repealing “535 plus \$535 per hour or part thereof on a work done basis.” and substituting “Nil”;
- (d) in Part III, in item 6(c), by repealing “200” and substituting “Nil”;
- (e) in Part III, in item 6(f), by repealing “61” and substituting “Nil”;
- (f) in Part III, in item 6(i), by repealing “285” and substituting “Nil”;
- (g) in Part III, in item 6(j), by repealing “110” and substituting “Nil”;
- (h) in Part III, in items 8(a) and (c) and 9(a) and (c), by repealing “155” and substituting “Nil”;
- (i) in Part III, in item 10(a) and (c), by repealing “105” and substituting “Nil”;

- (j) in Part III, in item 10(e), by repealing “10” and substituting “Nil”;
- (k) in Part III, in item 11(a), by repealing “685” and substituting “Nil”;
- (l) in Part III, in item 11(b) and (f), by repealing “275” and substituting “Nil”;
- (m) in Part III, in item 11(c), by repealing “915” and substituting “Nil”;
- (n) in Part III, in item 11(d), by repealing “70” and substituting “Nil”;
- (o) in Part III, in item 11(e), by repealing “4,620” and substituting “Nil”;
- (p) in Part III, in item 11(g) and (h), by repealing “100” and substituting “Nil”.



Secretary for Financial Services and
the Treasury

11 May 2009

Explanatory Note

This Regulation amends the Schedule to the Merchant Shipping (Seafarers) (Fees) Regulation (Cap. 478 sub. leg. AB) to vary the prescribed fees payable for –

- (a) issuing a licence as Deck Officers, or Marine Engineer Officers, Class 1, 2 or 3, without examination; and
- (b) certain services rendered by the Mercantile Marine Office.

**MERCHANT SHIPPING (LOCAL VESSELS) (FEES)
(AMENDMENT) REGULATION 2009**

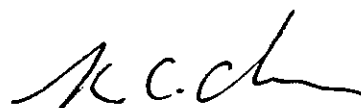
(Made by the Secretary for Financial Services and the Treasury under
section 88 of the Merchant Shipping (Local Vessels)
Ordinance (Cap. 548))

1. Commencement

This Regulation comes into operation on 10 July 2009.

**2. Fees prescribed for purposes of Merchant
Shipping (Local Vessels) (General)
Regulation**

Schedule 2 to the Merchant Shipping (Local Vessels) (Fees) Regulation
(Cap. 548 sub. leg. J) is amended, in items 1 and 2, by repealing "\$97" and
substituting "\$58".



Secretary for Financial Services and
the Treasury

11 May 2009

Explanatory Note

This Regulation amends Schedule 2 to the Merchant Shipping (Local
Vessels) (Fees) Regulation (Cap. 548 sub. leg. J) to reduce the prescribed fees
payable for an application for –

- (a) an arrival clearance of a local vessel; and
- (b) a port clearance of a local vessel.

Fee Group A: Port and Light Dues and Related Activities for Ocean-going Vessels and River-trade Vessels

Item	Description	Existing fee level	Proposed fee level	Proposed amount of decrease	Proposed percentage change
<i>Port and Arrival Clearance Fees</i>					
1	Arrival clearance fees for vessels plying within the river trade limits	\$97	\$58	\$39	-40%
2	Port clearance fees for vessels plying within the river trade limit	\$97	\$58	\$39	-40%
3	Port clearance fees for ocean-going vessels and high speed passenger crafts plying within the river trade limits	\$97	\$58	\$39	-40%

Fee Group B: Hong Kong Shipping Register and Related Services

Item	Description	Existing fee level	Proposed fee level	Proposed amount of decrease	Proposed percentage change
<i>Annual Tonnage Charges</i>					
4	Maximum annual tonnage charges in respect of a registered ship	\$100,000	\$77,500	\$22,500	-23%
<i>Fees for the Issue of Ships' Operators Licences</i>					
5	Fees for the issue of a licence as Deck Officers or Marine Engineer Officers, Class 1, Class 2 or Class 3 without examination	\$715	\$400	\$315	-44%

Item	Description	Existing fee level	Proposed fee level	Proposed amount of decrease	Proposed percentage change
<i>Minor Registration Related Fees and Mercantile Marine Office Miscellaneous Charges to be Waived</i>					
6	Fees for registering a transfer of mortgage, transfer by bill of sale, transmission, mortgage or discharge of mortgage	\$440	\$0	\$440	-100%
7	Fees for the issue of a new certificate of registry upon change of any of the particulars recorded in the register relating to a ship	\$260	\$0	\$260	-100%
8	Fees for attesting a new clause in a crew agreement (per hour)	\$535	\$0	\$535	-100%
9	Fees for inspection of a ship's expired official log book or crew agreement (per set)	\$200	\$0	\$200	-100%
10	Fees for any entry of voyage or other official endorsement on Form HK Dis. 1	\$61	\$0	\$61	-100%
11	Fees for providing the necessary documents and advice to enable a crew agreement to be opened at a place outside Hong Kong	\$285	\$0	\$285	-100%
12	Fees for the issue of a pass to users of the Office other than Government officers	\$110	\$0	\$110	-100%
13	Fees for the issue of an Engine Room Watch Rating Certificate	\$155	\$0	\$155	-100%
14	Fees for the issue of a substitute certificate under section 5(1) of the Merchant Shipping (Seafarers) (Engine Room Watch Ratings) Regulation	\$155	\$0	\$155	-100%

Item	Description	Existing fee level	Proposed fee level	Proposed amount of decrease	Proposed percentage change
<i>Minor Registration Related Fees and Mercantile Marine Office Miscellaneous Charges to be Waived</i>					
15	Fees for the issue of a Navigational Watch Rating Certificate	\$155	\$0	\$155	-100%
16	Fees for the issue of a substitute certificate under section 5(1) of the Merchant Shipping (Seafarers) (Navigation Watch Ratings) Regulation	\$155	\$0	\$155	-100%
17	Fees for the issue of an employment registration book under section 4 of the Merchant Shipping (Seafarers) (Employment Registration Books) Regulation	\$105	\$0	\$105	-100%
18	Fees for the renewal of issue of an employment registration book under section 14 of the Merchant Shipping (Seafarers) (Employment Registration Books) Regulation	\$105	\$0	\$105	-100%
19	Fees for any entry of voyage or other official endorsement in an employment registration book	\$10	\$0	\$10	-100%
20	Fees for the conduct of a muster	\$685	\$0	\$685	-100%
21	Fees for the issue of an exemption certificate to a non-registered seafarer	\$275	\$0	\$275	-100%
22	Fees for the issue of a permit to use the emergency employment procedure	\$915	\$0	\$915	-100%
23	Fees for the issue of a permit to use the re-employment procedure	\$70	\$0	\$70	-100%
24	Fees for the issue of a permit to operate a company roster	\$4,620	\$0	\$4,620	-100%

Item	Description	Existing fee level	Proposed fee level	Proposed amount of decrease	Proposed percentage change
<i>Minor Registration Related Fees and Mercantile Marine Office Miscellaneous Charges to be Waived</i>					
25	Fees for the amendment of particulars on a company roster	\$275	\$0	\$275	-100%
26	Fees for the employment of seafarers supplied through Office procedures (per seafarer)	\$100	\$0	\$100	-100%
27	Fees for the emergency employment of seafarers (per seafarer)	\$100	\$0	\$100	-100%