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**PART I ISSUANCE OF COMPOSITE FOOD SHOP LICENCE AND RELAXATION OF STATUTORY FOOD ROOM REQUIREMENTS**

**Public Health and Municipal Services Ordinance (Cap. 132)**

**Food Business (Amendment) Regulation 2010 (L.N. 57)**

**Frozen Confections (Amendment) Regulation 2010 (L.N. 58)**

**Milk (Amendment) Regulation 2010 (L.N. 59)**

**Public Health and Municipal Services (Fees) (Amendment) Regulation 2010 (L.N. 60)**

At present, food businesses are required to obtain different licences or permissions issued by the Director of Food and Environmental Hygiene (DFEH) under the Food Business Regulation (Cap. 132 sub. leg. X) (FBR) and other related subsidiary legislation under the Public Health and Municipal Services Ordinance (Cap. 132) (PHMSO) for the sale and preparation for sale of ready-to-eat food, in particular "restricted food" items specified in Schedule 2 to FBR, for human consumption off the licensed premises. The Administration has proposed to introduce a new type of licence known as a composite food shop licence under FBR for the sale and preparation for sale of various types of simple or ready-to-eat food items for human consumption off the licensed premises.

The Food Business (Amendment) Regulation 2010 (L.N. 57)

2. To implement the aforesaid proposal, L.N. 57 amends FBR to-

- (a) add a new definition of composite food shop which means any food business which involves-
  - (i) the sale and preparation for sale of all or any of the foods or classes of food specified in Part 1 of the new Schedule 2A to FBR<sup>1</sup>;
  - (ii) the sale of all or any of the foods or classes of food specified in Part 2 of the new Schedule 2A to FBR<sup>2</sup>;
  - (iii) the reheating of pre-cooked food for sale; or
  - (iv) the sale of food by a vending machine, for human consumption off the premises;
- (b) add a new requirement that a licence is required to carry on the business of a composite food shop;
- (c) provide that the requirement under section 30 of FBR that a permission from DFEH is required for the sale of certain restricted food specified in Schedule 2 to FBR does not apply in respect of a food business selling food under and in accordance with a composite food shop licence;
- (d) provide for specific requirements concerning an application for a composite shop licence; and
- (e) enable DFEH to cancel a composite food shop licence if a false plan or certification has been submitted to DFEH for the application of the licence and provide that a composite food shop licence may be suspended or cancelled to the extent that it is related to any particular food or class of food covered by the licence.

3. L.N. 57 further amends FBR to dispense with the requirement that the internal surfaces of the walls of any food room<sup>3</sup> of a food business must be in a light colour and provide for the relaxed food room requirements for licensed general restaurants (GRs), light refreshment restaurants (LRRs) and factory canteens (FCs).

4. L.N. 57 also provides for technical amendments and transitional arrangements.

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<sup>1</sup> Foods or classes of food that may be prepared for sale and sold at composite food shops are coffee, tea, salad, sandwich, waffle, sashimi, sushi, oyster to be eaten in raw state, soft ice cream and frozen carbonated beverage.

<sup>2</sup> Foods or classes of food that may be sold at composite food shops are Siu Mei or Lo Mei, cut fruit, Leung Fan, non-bottled drinks, frozen confections, Chinese herb tea, certain milk or milk beverage, sashimi, sushi, and oyster to be eaten in raw state.

<sup>3</sup> "Food room" is defined in section 3 of FBR to mean any room, (being, or being part of, any food premises) where any person engages in the handling of open food or in the cleaning of equipment for the purposes of a food business, but does not include a room in which the only handling of food which occurs is in the course of serving food for consumption therein.

Frozen Confections (Amendment) Regulation 2010 (L.N. 58)

5. In connection with the introduction of the composite food shop licence under FBR, L.N. 58 amends the Frozen Confections Regulation (Cap. 132 sub. leg. AC) (the principal Regulation) to-

- (a) allow a person to sell any frozen confection for human consumption under and in accordance with a composite food shop licence;
- (b) provide that the requirement that only frozen confections contained in manufacturer's containers may be sold does not apply to the sale of frozen confections under and in accordance with a composite food shop licence; and
- (c) provide that the requirement that a licence must be obtained from the DFEH for the manufacture of frozen confections does not apply to the manufacture of frozen confections under and in accordance with a composite food shop licence.

6. L.N. 58 further amends the principal Regulation to dispense with the requirement that the internal surfaces of the walls and ceilings of any premises where frozen confections are manufactured must be in a light colour.

Milk (Amendment) Regulation 2010 (L.N. 59)

7. In connection with the introduction of the composite food shop licence under FBR, L.N. 59 amends the Milk Regulation (Cap. 132 sub. leg. AQ) (the principal Regulation) to allow a person to sell any milk or milk beverage for human consumption under and in accordance with a composite food shop licence.

8. L.N. 59 further amends the principal Regulation to dispense with the requirement that the internal surfaces of the walls and ceilings of any premises where milk or milk beverage is processed or reconstituted must be in a light colour.

Public Health and Municipal Services (Fees) (Amendment) Regulation 2010 (L.N. 60)

9. L.N. 60 amends the Public Health and Municipal Services (Fees) Regulation (Cap. 132 sub. leg. CJ) to provide for the fee payable for the grant, renewal or amendment of a composite food shop licence and the fee payable for the issue of a duplicate of such a licence.

10. In relation to L.N. 57 to L.N. 60, Members may refer to the LegCo Brief (no file reference provided) of May 2010 issued by the Food and Health Bureau for background information.

11. The Administration consulted the Panel on Food Safety and Environmental Hygiene (the Panel) on 8 January 2008 on the latest proposal to introduce a composite licence scheme for the manufacture or sale of ready-to-eat food items for consumption off the licensed premises. Members were supportive of the proposal. Some of them had the following concerns -

- (a) accepting certificates issued by authorised persons or registered professions to confirm compliance with hygiene requirements for the issuance of a composite licence might give rise to possible abuse of the certification system by unscrupulous food operators or professionals; and
- (b) charging the composite licence fee according to the size of the premises might discourage some licensed food premises from applying the composite licence. A case in point was the large supermarkets, as only a small fraction of the floor area was used for business in relation to the manufacture or sale of ready-to-eat food items.

12. The Administration consulted the Panel on 9 June 2009 on the proposal to relax the statutory food room requirements for licensed restaurants (including GRs and LRRs) and FCs. Members were supportive of the proposal. A member however questioned the rationale for removing the minimum kitchen area requirement for GRs under the relaxation proposal. The Administration explained that removing the minimum kitchen area requirement for GRs was meant to provide greater flexibility to operators. GRs would still be required to provide a kitchen in the food room that met the relevant structural and fire safety standards.

13. L.N. 57 to L.N. 60 will come into operation on 1 August 2010.

## **PART II FEES AND TOLLS**

### **Securities and Futures Ordinance (Cap. 571)**

#### **Securities and Futures (Levy) (Amendment) Order 2010 (L.N. 56)**

14. Under section 396(1) of the Securities and Futures Ordinance (Cap. 571) (SFO), if during a financial year of the Securities and Futures Commission (SFC), the reserves of SFC after deducting depreciation and all provisions are more than twice its estimated operating expenses for the financial year; and that SFC has no outstanding borrowings, SFC shall consult the Financial Secretary with a view to recommending to the Chief Executive in Council that the rate or amount of a levy be reduced under section 394 of SFO.

15. L.N. 56 amends the Securities and Futures (Levy) Order (Cap. 571 sub. leg. Z) to reduce the levy payable by a seller or a purchaser in respect of-

- (a) a sale and purchase of securities from 0.004% of the consideration for the relevant transaction to 0.003%;
- (b) a sale and purchase of a futures contract from \$0.80 to \$0.60;
- (c) a sale and purchase of a Mini-Hang Seng Index Futures Contract, a Mini-Hang Seng Index Options Contract or a Mini-Hang Seng China Enterprises Index Futures Contract from \$0.16 to \$0.12; and
- (d) a sale and purchase of a stock futures contract or an option on such a contract from \$0.16 to \$0.12.

16. Members may refer to the LegCo Brief (File Ref: SUD 42/10 (2009) Pt. 2) dated 19 May 2010 issued by the Financial Services and the Treasury Bureau for background information.

17. The Panel on Financial Affairs was briefed by SFC on the proposed reduction of the levy payable in respect of any trading in securities, futures and options contracts with effect from 1 October 2010 at the meeting on 1 March 2010 in the context of the budget for SFC in 2010-2011. Panel members did not make any comment on the proposal.

18. The Amendment Order will come into operation on 1 October 2010.

**Tate's Cairn Tunnel Ordinance (Cap. 393)**

**Tate's Cairn Tunnel Ordinance (Amendment of Schedule) Notice 2010 (L.N. 67)**

19. L.N. 67 is made by the Commissioner for Transport under section 36(7) of the Tate's Cairn Tunnel Ordinance (Cap. 393) (TCTO). L.N. 67 replaces the Schedule to TCTO with a new Schedule to reflect the increase of the tolls payable under TCTO, with effect from 25 December 2010.

20. Under section 36 of TCTO, the tolls which may be collected shall be those specified in the Schedule to TCTO. The tolls specified in the Schedule may be varied by agreement between the Chief Executive in Council and the Tate's Cairn Tunnel Company Limited (TCTC), or in default of agreement, by submission of the question of the variation of tolls to arbitration. The Commissioner for Transport shall by notice in the Gazette, as soon as is practicable after such agreement or arbitration award, amend the Schedule to TCTO.

21. A comparison of the existing and new tolls is as follows-

Tate's Cairn Tunnel Tolls

<b>Category</b>	<b>Vehicle</b>	<b>Toll (\$ (as from 25 December 2010)</b>	<b>Existing Toll (\$)</b>	<b>Percentage Increase</b>
1.	Motorcycles, motor tricycles	12	11	9%
2.	Private cars, electrically powered passenger vehicles, taxis	15	14	7%
3.	Public light buses	21	21	N/A
4.	Private light buses	22	21	5%
5.	Light goods vehicles and special purpose vehicles of a permitted gross vehicle weight not exceeding 5.5 tonnes	22	21	5%
6.	Medium goods vehicles and special purpose vehicles of a permitted gross vehicle weight of or exceeding 5.5 tonnes but not exceeding 24 tonnes	26	25	4%
7.	Heavy goods vehicles and special purpose vehicles of a permitted gross vehicle weight of or exceeding 24 tonnes but not exceeding 38 tonnes	26	25	4%
8.	Public and private single-decker buses	29	28	4%
9.	Public and private double-decker buses	32	31	3%
10.	Each additional axle in excess of 2	19	18	6%

22. So far, the Tate's Cairn Tunnel has had five toll increases that came into effect in May 1995, November 1996, January 2000, August 2005 and November 2008 respectively. TCTC applied for its sixth toll increases in July 2009, proposing a \$1 toll increase for each vehicle category. Subcommittees had been formed to study notices on toll increases by TCTC in 2005 and 2008. In the course of study, members noted, inter alia, that the power of the Commissioner for Transport to make the Notices did not cover the determination of toll levels and the timing for implementation of the new tolls. According to section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1), LegCo's power to amend subsidiary legislation has to be consistent with the power to make such subsidiary legislation. There is little room for Members to amend the Notices other than making minor technical amendments. Similarly, LegCo could not repeal the Notices as the exercise of such power would also be inconsistent with the power of the Commissioner for Transport to make such Notices.

23. Members may refer to the LegCo Brief (File Ref: THB(T)CR 1/4651/94) in May 2010 issued by the Transport and Housing Bureau for background information.

24. The Panel on Transport was consulted on the application for toll increase by TCTC at its meeting on 15 December 2009. Members expressed grave concern about the impacts of the proposed toll increase as it might induce public transport operators to raise fares of public transport services and divert more vehicles to Lion Rock Tunnel. These members called upon TCTC to refrain from increasing tolls, and if not, they considered that the Administration should negotiate for a smaller rate of toll increase. A member proposed that taxis and public light buses should be exempted from the proposed toll increase. Some members requested the Administration to liaise with TCTC on the buy-back option, or extension of its franchise or joint operation in return for a lower Internal Rate of Return or a new toll increase mechanism. Members may wish to refer to the minutes of the Panel meeting on 15 December 2009 for details of the Panel's deliberation.

25. L.N. 67 will come into operation on 25 December 2010.

### **PART III DESIGNATION OF NEW FREQUENCY BANDS FOR THE PROVISION OF MOBILE TELECOMMUNICATIONS SERVICES**

#### **Telecommunications Ordinance (Cap. 106)**

#### **Telecommunications (Determining Spectrum Utilization Fees by Auction) (Amendment) Regulation 2010 (L.N. 62)**

#### **Telecommunications (Designation of Frequency Bands Subject to Payment of Spectrum Utilization Fee) (Amendment) Order 2010 (L.N. 63)**

26. Under section 32I(1) of the Telecommunications Ordinance (Cap. 106) (TO), subject to the consultation requirement under section 32G(2) of TO, the

Telecommunications Authority (Authority) may by order designate the frequency bands in which the use of spectrum is subject to the payment of spectrum utilization fee by the users of the spectrum.

27. Under section 32G(2) of TO, the Authority shall, before exercising his powers under section 32I(1), carry out such consultation with the telecommunications industry and such other persons who may be directly affected by the exercise of such powers, as is reasonable in all the circumstances of the case.

28. L.N. 63 was made by the Authority under section 32I(1) of TO after carrying out the consultation required under section 32G(2) of TO. L.N. 63 amends the Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) Order (Cap. 106 sub. leg. Y) by adding a new Part 6 to the Schedule to the Order. L.N. 63 designates, for the provision of mobile telecommunications services, additional sets of frequency bands in which the use of spectrum is subject to the payment of spectrum utilization fees. The newly added frequency bands are 832.5-837.5 MHz, 877.5-882.5 MHz, 885-890 MHz, 930-935 MHz and 2010-2019.7 MHz.

29. Under section 32I(2) of TO, the Secretary for Commerce and Economic Development (the Secretary) may by regulation prescribe the level of spectrum utilization fees. The Secretary may also by regulation prescribe the method for determining the spectrum utilization fees, which may be by auction or tender or a combination of auction and tender, or such method as the Secretary thinks fit.

30. By L.N. 62 the Secretary specifies auction as the method for determining the spectrum utilization fees payable by the user of the spectrum which falls within the frequency bands set out in the new Part 6 of the Schedule to Telecommunications (Designation of Frequency Bands subject to Payment of Spectrum Utilization Fee) Order (as amended by L.N. 63). However, L.N. 62 provides that no spectrum utilization fee is payable for the use of-

- (a) 885-890 MHz and 930-935 MHz through a base station<sup>4</sup> located in a designated area specified by the Authority for the sole purpose of providing mobile telecommunications services within a designated area to be specified by the Authority; or
- (b) 885-889 MHz and 930-934 MHz for the sole purpose of communication and control in relation to the operation of cross-border railways.

31. At the Information Technology and Broadcasting Panel meeting held on 11 January 2010, the Administration briefed members on the consultation exercise launched by the Authority on 20 November 2009 concerning the assignment of the available frequency spectrum in the 850 MHz band, 900 MHz band and 2 GHz band

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<sup>4</sup> Section 2 of the Amendment Regulation defines "base station" to mean a transmitting and receiving station built on land for the provision of mobile telecommunications services.



for public mobile services. Members noted that the Administration might proceed with the auction of spectrum and to make necessary amendments to the relevant subsidiary legislation after the consultation to enable the release of the spectrum by auction. Panel members generally supported the Administration's proposal to increase the supply of radio spectrum to enable the expansion of mobile telephony services and further service development in Hong Kong.

32. L.N. 62 and L.N. 63 will come into operation on 16 July 2010.

#### **PART IV COMMENCEMENT NOTICE**

##### **Copyright (Amendment) Ordinance 2007 (15 of 2007)**

##### **Copyright (Amendment) Ordinance 2007 (Commencement) Notice 2010 (L.N. 68)**

33. By L.N. 68, the Secretary for Commerce and Economic Development appoints 16 July 2010 as the day on which the following sections of the Copyright (Amendment) Ordinance 2007 (15 of 2007) will come into operation-

- (a) section 33 (adds the new section 119B which provides for offences in relation to making for distribution or distributing on a regular or frequent basis infringing copies of copyright works in printed form contained in books, etc.);
- (b) section 36(7) (adds the new section 121(2D) which relates to affidavit evidence in proceedings instituted under the new section 119B(1));
- (c) section 36(8), (9), (10) and (12) (insofar as it relates to the new section 121(2D) (relate to consequential amendments upon the commencement of the new section 121(2D));
- (d) section 37 (relates to consequential amendments upon the commencement of the new section 119B);
- (e) section 38 (relates to consequential amendment upon the commencement of the new section 119B); and
- (f) section 39 (relates to consequential amendments upon the commencement of the new section 119B).

34. The Copyright (Amendment) Ordinance 2009 (15 of 2009) amends the Copyright Ordinance (Cap. 528) to provide for the circumstances in which the new offence provided in section 119B(1) does not apply. Section 2 of the Copyright (Amendment) Ordinance 2009 provides that the Ordinance will come into operation on the day appointed for the commencement of section 33 of the Copyright (Amendment) Ordinance 2007 (i.e. 16 July 2010).

35. The Panel on Commerce and Industry has not been consulted on the Commencement Notice.

36. A Bills Committee was formed to scrutinize the Copyright (Amendment) Bill 2009 (the 2009 Bill) regarding business end-user copying and distribution offence under section 119B (which has not yet commenced operation) of the Copyright Ordinance, as added by section 33 of the Copyright (Amendment) Ordinance 2007. Members of the Bills Committee in general supported the policy intent of the 2009 Bill to set out specifically that certain levels of unauthorized use of copyright works did not attract criminal liability under the new 119B of the Copyright Ordinance. The 2009 Bill was passed by the LegCo on 18 November 2009.

37. During the deliberation of the Bills Committee on Copyright (Amendment) Bill 2006 (the 2006 Bill), which was enacted as the Copyright (Amendment) Ordinance 2007, Members had raised no objection to clause 27 of the 2006 Bill (i.e. section 36 of the Copyright (Amendment) Ordinance 2007). Members had also raised no queries to clauses 28, 29 and 30 of the 2006 Bill (i.e. sections 37, 38 and 39 of the Copyright (Amendment) Ordinance 2007).

## **PART V MISCELLANEOUS ITEMS**

### **Inland Revenue Ordinance (Cap. 112)**

#### **Inland Revenue (Double Taxation Relief on Income from Aircraft Operations) (The Republic of the Fiji Islands) Order (L.N. 55)**

38. Under section 49(1) of the Inland Revenue Ordinance (Cap. 112) (IRO), the Chief Executive in Council may, by order, declare that arrangements specified in the order have been made with the government of any territory outside Hong Kong, with a view to affording relief from double taxation in relation to income tax and any tax of a similar character imposed by the laws of that territory.

39. L.N. 55 is made by the Chief Executive in Council under section 49 of IRO to give effect to the Agreement between the Government of the Hong Kong Special Administrative Region of the People's Republic of China (HKSARG) and the Government of The Republic of the Fiji Islands concerning Air Services signed on 3 December 2009. It specifies the arrangements in Article 9 of the Agreement as double taxation relief arrangements and declares that it is expedient that those arrangements have effect for the purpose of section 49 IRO.

40. According to paragraph 12 of the LegCo Brief, due to the international nature of airline operations, airlines are more susceptible to double taxation than other taxpayers. It is Government's policy to negotiate double taxation relief arrangements for airline income with aviation partners of HKSARG. HKSARG has concluded such relief arrangements on airline income with a host of countries or places.

41. Members may refer to the LegCo Brief (File Ref: EDB CR 17/936/89(04)) dated 19 May 2010 issued by the Transport and Housing Bureau for background information.

42. The Order will come into operation on 19 July 2010.

**Public Health and Municipal Services Ordinance (Cap. 132)  
Sweeteners in Food (Amendment) Regulation 2010 (L.N. 61)**

43. In Hong Kong, the use of sweeteners in food is regulated by the Public Health and Municipal Services Ordinance (Cap.132) and the Sweeteners in Food Regulations (Cap.132U) (SFRs). SFRs defines "sweetener" to mean any chemical compound which is sweet to the taste, but does not include any sugars or other carbohydrates or polyhydric alcohols. SFRs prohibit any person from selling, etc. any sweetener for human consumption which is not specified in the Schedule to SFRs as permitted sweeteners. SFRs further prohibit any person from selling, etc. any food intended for human consumption containing any sweetener which is not a permitted sweetener. At present, there are a total of eight types of permitted sweeteners listed in the Schedule to SFRs, namely-

- (a) acesulfame potassium;
- (b) alitame;
- (c) aspartame;
- (d) aspartame-acesulfame salt;
- (e) cyclamic acid (and sodium, potassium, calcium salts);
- (f) saccharin (and sodium, potassium, calcium salts);
- (g) sucralose; and
- (h) thaumatin.

44. L.N. 61 adds two substances to the list of permitted sweeteners, namely, neotame and steviol glycosides. According to paragraph 5 of the LegCo Brief (no file reference provided) of May 2010 issued by the Food and Health Bureau, these two substances are added in order to align SFRs with the latest international and scientific developments. Members may refer to the LegCo Brief for more background information.

45. L.N. 61 also rectifies a punctuation mistake in the English text of regulation 2 of SFRs.

46. The Administration briefed the Panel on Food Safety and Environmental Hygiene meeting on 9 March 2010 on the proposed amendment to the SFRs to add two types of sweeteners, i.e. neotame and steviol glycosides, to the permitted sweeteners specified in the Schedule to SFRs. Some members were of the view that to better protect public health, consumers should be informed of the level of a food additive that could be safely consumed on a daily basis over a lifetime.

47. L.N. 61 will come into operation on 1 August 2010.

**Dangerous Drugs Ordinance (Cap. 134)**

**Dangerous Drugs Ordinance (Amendment of Second Schedule) Order 2010 (L.N. 64)**

48. The Dangerous Drugs Ordinance (Cap. 134) (DDO) defines "prescribed hospital" to mean a hospital maintained by the Crown (construed to mean the Government of the Hong Kong Special Administrative Region under Schedule 8 to the Interpretation and General Clauses Ordinance (Cap. 1)) and a hospital or institution specified in the Second Schedule to DDO. There are references to "prescribed hospitals" in different contexts under DDO, for example section 22 which provides that a person who is employed at a prescribed hospital is authorized, so far as may be necessary for the practice or exercise of his profession, function or employment, and in his capacity as such, to be in possession of and to supply a dangerous drug.

49. L.N. 64 amends the Second Schedule to DDO by-

- (a) adding five institutions, namely, the Oasis Nursing Home, Po Leung Kuk Kwai Chung Home for the Elderly, Tung Wah Group of Hospitals Haemodialysis Centre, United Christian Nethersole Care Home and Yuen Yuen Nursing Home cum Day Care Centre for the Elderly (Lei Muk Shue Estate) to that Schedule; and
- (b) deleting one hospital and two institutions, namely, the Fanling Hospital, Pui Hong Geriatric Day Centre and Shatin Sister Aquinas Memorial Women's Treatment Centre from that Schedule; and
- (c) rearranging the sequence of the hospitals and institutions appearing in that Schedule.

50. L.N. 64 will come into operation on 17 July 2010.

**Legal Practitioners Ordinance (Cap. 159)**

**Solicitors (Professional Indemnity) (Amendment) Rules 2010 (L.N. 65)**

51. Section 73A(1) of the Legal Practitioners Ordinance (Cap. 159) (LPO) provides that the Council of The Law Society of Hong Kong (the Council) may make rules (indemnity rules) concerning indemnity against loss arising from claims in respect of any description of civil liability incurred by a solicitor or former solicitor in connection with his practice. Section 73A(2) also provides that for the purpose of providing such indemnity, indemnity rules may authorize or require The Law Society of Hong Kong, by itself or jointly with the Society of Notaries, to establish and maintain a fund or funds. Section 73A(6) further provides that every rule made by

the Council under section 73A shall be subject to the prior approval of the Chief Justice.

52. Under rule 3 of the Solicitors (Professional Indemnity) Rules (Cap. 159 sub. leg. M) (S(PI)Rs), made under section 73A of LPO, The Law Society of Hong Kong is authorized to establish and maintain a fund in accordance with the provisions of S(PI)Rs. Under section 4 of S(PI)Rs, the fund shall be established and maintained by contributions which shall be made or caused to be made by solicitors in respect of the first and each subsequent indemnity period in accordance with the provisions of Schedule 1 and by payment into the fund of the insurance fund. Paragraph 2(7)(a) of Schedule 1 to S(PI)Rs provides that the Hong Kong Solicitors Indemnity Fund Limited (the Company) may, with the authority of a resolution of the Council at any time during an indemnity period, reduce the total amount of the contributions established in accordance with paragraph 2(2)<sup>5</sup> which are payable by firms, during the next indemnity period by such amount as is authorized by the Council.

53. L.N. 65 amends Schedule 1 to S(PI)Rs to enable the Company, authorized by a resolution passed by the Council, to reduce the contributions to the indemnity fund payable by all solicitors firms (instead of the newly constituted firms) during an indemnity period.

54. L.N. 65 also makes some technical amendments to Schedule 1 to S(PI)Rs rectify a minor error in the Chinese text of S(PI)Rs to achieve consistency with their English text.

55. The Law Society of Hong Kong wrote to the Panel on Administration of Justice and Legal Services (AJLS Panel) on 9 April 2010 enclosing the proposed amendments to S(PI)Rs. According to the Law Society, the proposed amendments seek to provide flexibility in determining the amount of annual Professional Indemnity contributions payable by its members. The letter was circulated to members on 13 April 2010. Ms Audrey EU suggested at the Panel meeting on 26 April 2010 that the Law Society be invited to brief the AJLS Panel on the proposed amendments at a future meeting, but the item has not yet been scheduled for discussion.

### **Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation (Cap. 548 sub. leg. E)**

#### **Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation (Amendment of Schedule) Notice 2010 (L.N. 66)**

56. At present, a local vessel the length overall of which exceeds 50 m as specified in the Schedule to the Merchant Shipping (Local Vessels) (Typhoon Shelters) Regulation (Cap. 548 sub. leg. E) is prohibited from entering or remaining in the Hei Ling Chau Typhoon Shelter. L.N.66 amends that Schedule so that local vessels with

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<sup>5</sup> Paragraph 2(2) concerns the contribution payable by a solicitor or solicitors commencing a Practice during any indemnity period (the newly constituted firms).

length overall exceeding 50 m but not more than 75 m will also be allowed to enter and remain in the Hei Ling Chau Typhoon Shelter.

57. Members may refer to the LegCo Brief (File Ref: MA 70/13) on 19 May 2010 issued by the Transport and Housing Bureau for background information. According to the LegCo Brief, the Local Vessels Advisory Committee and the Port Operations Committee were consulted in June 2009, while the Hong Kong Port Development Council was consulted in December 2009. They all supported the proposal.

58. The Panel on Economic Development has not been consulted on the proposal.

59. L.N. 66 will come into operation on 24 July 2010.

60. The Legal Service Division is still scrutinising the legal and drafting aspects of L.N. 57 to L.N. 60 reported in Part I of the report. There are no difficulties identified in relation to the legal and drafting aspects of the other items of subsidiary legislation.

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