

For information

**LEGISLATIVE COUNCIL PANEL
ON FINANCIAL AFFAIRS**

**Revision of Fees and Charges
under the purview of the Financial Services and the Treasury Bureau
(Treasury Branch)**

PURPOSE

This paper outlines the Administration's proposed revision of three government fees and charges for services under the purview of the Treasury Branch of the Financial Services and the Treasury Bureau (FSTB(TsyB)) which do not directly affect people's livelihood or general business activities.

BACKGROUND

2. In line with the "user pays" principle, it is Government's policy that fees should in general be set at levels adequate to recover the full cost of providing the services. This paper covers the following three fees and charges prescribed in the Fees for Official Signatures and Miscellaneous Service Notice (Cap. 2M) under the Public Finance Ordinance (Cap. 2), which have not been revised since 1994 :

| | <u>Fee Description</u> | <u>Existing Fee</u> |
|-----|------------------------------------------------------------------------------------------|---------------------|
| (1) | The issue of a duplicate of any document by a public officer | \$140 |
| (2) | Any alteration, transfer or endorsement of or addition to a document by a public officer | \$140 |

- (3) The certification of a true extract of any document, book, record or instrument by a public officer \$140

3. Costing exercises at the 2009-10 price level have been carried out and the result shows the cost recovery levels are from 53% to 112%.

THE PROPOSAL

4. Based on the outcome of the costing review and the general fee revision guidelines¹, the fee items (1), (2) and (3) mentioned in paragraph 2 are proposed to be revised to \$125, \$155 and \$160 respectively. Details of the proposal are at the *Annex*.

EFFICIENCY IMPROVEMENT MEASURES

5. The Administration has been continuously taking measures to reduce cost of services through implementing efficiency initiatives and streamlining procedures. Efficiency savings and improvement measures have been factored into the calculation of fees charged for the provision of services.

FINANCIAL IMPLICATIONS

6. If the proposed fees and charges adjustments are implemented, there will be a net increase of about \$0.4 million in revenue per annum.

¹ According to the revision guidelines, the fee should be increased by 20%, 15% and 10% if the cost recovery rate is <40%, 40-70% or >70% respectively; and the above-cost fee may be reduced to full cost level in one go.

WAY FORWARD

7. Members are invited to note the proposed revision of fees and charges as set out in paragraph 4 above. We will proceed with the necessary legislative amendments to implement the adjustments.

Financial Services and the Treasury Bureau (Treasury Branch)
October 2009

**Fees and Charges Proposals
under the Purview of FSTB(TsyB)**

| Item | Fee Description | Last Revision | Existing Fee (\$) | Updated Cost Recovery Level at 2009-10 Price Level | Proposed Fee (\$) | Proposed amount of increase/decrease (\$) | Proposed percentage increase/decrease |
|-------------|-----------------------------------------------------------------------------------------------------|----------------------|--------------------------|-----------------------------------------------------------|--------------------------|--------------------------------------------------|----------------------------------------------|
| (1) | The issue of a duplicate of any document by a public officer | October 1994 | \$140 | 112% | \$125 | -\$15 | -11% |
| (2) | Any alteration, transfer or endorsement of or addition to a document by a public officer | October 1994 | \$140 | 72% | \$155 | \$15 | 11% |
| (3) | The certification of a true extract of any document, book, record or instrument by a public officer | October 1994 | \$140 | 53% | \$160 | \$20 | 14% |