

LEGISLATIVE COUNCIL BRIEF

Import and Export Ordinance (Cap. 60)

IMPORT AND EXPORT (FEES) (AMENDMENT) REGULATION 2011

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) provides that the Financial Secretary (which by virtue of section 3 of Cap. 1 also means the Secretary for Financial Services and the Treasury) may vary fees which have previously been set by subsidiary legislation made by the Chief Executive in Council.

2. In accordance with the above provision, the Secretary for Financial Services and the Treasury has made, pursuant to the Import and Export Ordinance (Cap.60), the Import and Export (Fees) (Amendment) Regulation 2011 (“Amendment Regulation”) at **Annex A** to revise certain fees specified in the Schedule to the Import and Export (Fees) Regulations (Cap. 60 sub. leg. B).

A

JUSTIFICATIONS

3. It is government policy that fees charged by the Government for various services should in general be set at levels sufficient to recover the full costs of providing the services. A recent costing review on textiles-related fees shows that the fees for two items payable under the Import and Export (Fees) Regulations are not adequate to recover the full costs of providing the relevant services, whilst the fees for two other items exceed the full costs. Detailed cost computations are set out at **Annex B**.

B

THE AMENDMENT REGULATION

4. To reflect the increased cost of providing the relevant services at the 2011-12 price level, the Amendment Regulation

provides for about 15% increase in the fees for two items, i.e. Production Notification (PN) lodged electronically and PN lodged on paper. A gradual approach to achieve full cost recovery within three to seven years through a moderate annual fee increase by about 15% has been adopted.

5. The fees for the other two items, namely the annual registration fee for the Textiles Trader Registration Scheme (TTRS) and the fee for lodging an import notification or an export notification on paper by a person registered as a textiles trader under the TTRS, have been reduced by 51% and 24% respectively to reflect the reduced cost of providing the services. The existing and revised fees for the four items are set out at **Annex C**.

C

LEGISLATIVE TIMETABLE

6. The legislative timetable of the Amendment Regulation is as follows –

Publication in the Gazette	28 October 2011
Tabling at the Legislative Council	2 November 2011
Commencement	23 December 2011

EFFICIENCY INITIATIVES

7. The Trade and Industry Department reviews regularly the relevant work procedures and where possible implements appropriate efficiency initiatives with a view to reducing or containing the cost of providing services. Efficiency savings have been reflected in the proposed fee adjustments.

IMPLICATIONS OF THE PROPOSALS

8. We estimate that the proposed fee adjustments will result in a net decrease of around \$6.68 million in revenue per annum. Given that the proposed fee adjustments are not significant in dollar terms, we expect that they will have little impact on business

operating costs. The Amendment Regulation does not affect the current binding effect of the Import and Export Ordinance and the Import and Export (Fees) Regulations.

PUBLIC CONSULTATION

9. We consulted the Panel on Commerce and Industry of the Legislative Council on 19 July 2011. The Panel supported the proposed fee adjustments.

PUBLICITY

10. The Amendment Regulation will be published in the Gazette on 28 October 2011. A spokesman will be available to handle enquiries.

ENQUIRIES

11. For enquiries on this brief, please contact Mr. Willy TSOI, Assistant Secretary for Commerce and Economic Development at 2810 3029.

**Commerce and Economic Development Bureau
October 2011**

Import and Export (Fees) (Amendment) Regulation 2011

(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 31 of the Import and Export Ordinance (Cap. 60))

1. Commencement

This Regulation comes into operation on 23 December 2011.

2. Import and Export (Fees) Regulations amended

The Import and Export (Fees) Regulations (Cap. 60 sub. leg. B) are amended as set out in section 3.

3. Schedule amended (scale of fees)

(1) The Schedule, item 13—

Repeal

“718”

Substitute

“349”.

(2) The Schedule, item 13A—

Repeal

“3.80”

Substitute

“2.90”.

(3) The Schedule, item 14(a)—

Repeal

“57”

Substitute

“66”.

(4) The Schedule, item 14(b)—

Repeal

“41”

Substitute

“47”.

Secretary for Financial Services and
the Treasury

2011

Explanatory Note

This Regulation adjusts a number of fees to take into account the updated costs of providing various services under the Import and Export Ordinance (Cap. 60).

COST COMPUTATION

Fees under Import and Export (Fees) Regulations (Cap. 60B)

Cost at 2011-12 Prices
(for processing one application)

	(1) TTRS Annual Registration Fee	(2) Import or Export Notification lodged on paper under TTRS	(3) Production Notification (lodged electronically through a service provider)	(4) Production Notification (lodged on paper) (Form TRA 579) *
	\$	\$	\$	\$
Staff Costs	266	1.8	53	
Accommodation Costs	27	0.3	5	
Departmental Expenses	21	0.2	13	
Depreciation	11	0.4	2	/
Central Administrative Overheads	24	0.2	5	
Total Unit Cost	349	2.9	78	
Existing fee	718	3.8	41	57
Proposed fee	349	2.9	47	66

* All production notifications are now lodged electronically. The fee for paper mode is retained only to cater for contingency situations (e.g. breakdown of computer system). By reference to item (3), the fee for paper mode PN is proposed to be subject to a corresponding increase of about 15% from \$57 to \$66.

Existing and Proposed Fees
under Import and Export (Fees) Regulations (Cap. 60B)

	Existing Fee	Proposed Fee
	(\$)	(\$)
1. Annual fee for registration as a textiles trader under the Textiles Trader Registration Scheme	718	349
2. Fee for lodging an import notification or an export notification on paper by a person registered as a textiles trader under the Textiles Trader Registration Scheme	3.8	2.9
3. Fee payable when a production notification is lodged using services provided by a specified body	41	47
4. Fee payable when a production notification is lodged on paper (Form TRA 579)	57	66