

立法會
Legislative Council

LC Paper No. LS31/13-14

**Paper for the House Committee Meeting
on 28 February 2014**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 26 February 2014**

Tabling in LegCo : Council meeting of 19 March 2014

Amendment to be made by : Council meeting of 16 April 2014 (or that of
7 May 2014 if extended by resolution)

**Public Revenue Protection (Dutiable Commodities) Order
2014**

(L.N. 25)

L.N. 25 was made by the Chief Executive (CE) under section 2 of the Public Revenue Protection Ordinance (Cap. 120) after consultation with the Executive Council to give immediate effect to the proposal in paragraph 128¹ of the 2014-15 Budget Speech delivered by the Financial Secretary on 26 February 2014 (the Budget Speech).

2. Section 2 of Cap. 120 provides, among other things, that if the CE approves of the introduction into the Legislative Council (LegCo) of a bill whereby, if the bill were to become law any duty, tax, fee, rate or other item of revenue would be imposed, removed or altered, the CE may make an order giving full force and effect of law to all the provisions of the bill.

3. L.N. 25, which came into force at 11 a.m. on 26 February 2014, is made to give full force and effect to all the provisions of the bill set out in the Schedule to L.N. 25 (the Bill). The Bill proposes to amend Part II of Schedule 1 to the Dutiable Commodities Ordinance (Cap. 109) to increase the duty on various types of tobacco as follows –

¹ According to paragraph 128 of the Budget Speech, the duty on cigarettes is proposed to be increased by 20 cents per stick with immediate effect, bringing the proportion of tobacco duty to the retail price of cigarettes to about 70 per cent which meets the minimum level recommended by the World Health Organization.

Tobacco Products	Existing rates (\$)	Proposed rates (\$)
(a) for each 1 000 cigarettes	1,706	1,906
(b) cigars	2,197/kg	2,455/kg
(c) Chinese prepared tobacco	419/kg	468/kg
(d) all other manufactured tobacco except tobacco intended for the manufacture of cigarettes	2,067/kg	2,309/kg

The Bill will be introduced into LegCo in accordance with normal legislative procedures.

4. L.N. 25 is a temporary measure. By virtue of section 5(2) of Cap. 120, L.N. 25 shall expire and cease to be in force upon –

- (a) the notification in the Gazette of the rejection by LegCo of the Bill;
- (b) the notification in the Gazette of the withdrawal of the Bill or L.N. 25;
- (c) the Bill, with or without modification, becoming law in the ordinary manner; or
- (d) the expiration of 4 months from the day on which L.N. 25 came into force,

whichever event first happens.

5. By virtue of section 6 of Cap. 120, any duty paid under L.N. 25 in excess of the duty payable immediately after the expiration of L.N. 25 shall be repaid to the person who paid the same.

Rating (Exemption) Order 2014

(L.N. 26)

6. L.N. 26 was made by the CE in Council under section 36(2) of the Rating Ordinance (Cap. 116) to give effect to the rates concession proposed in paragraph 147(c)² of the Budget Speech.

7. Section 36(2) of Cap. 116 provides that the CE in Council may, by order, declare any class of tenements, or parts thereof, or any part of Hong Kong to be exempted from the payment of rates wholly or in part. L.N. 26 declares that all tenements are exempted from the payment of rates in respect of any quarter in the period from 1 April 2014 to 30 September 2014 wholly, if the amount of rates payable for the quarter is \$1,500 or less, or up to \$1,500, if the amount is more than \$1,500. The amount of \$1,500 is reduced on a pro rata basis if rates are payable for only part of the concession period.

8. L.N. 26 comes into operation on 1 April 2014.

9. As advised by the Clerk to the Panel on Financial Affairs, the Panel has not been consulted on L.N. 25 or L.N. 26.

Concluding observations

10. No difficulties have been identified in relation to the legal and drafting aspects of the above items of subsidiary legislation.

Prepared by

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26 February 2014

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² According to paragraph 147(c) of the Budget Speech, the proposed rates concession is estimated to benefit around 3,100,000 properties, and would cost the Government about \$6.1 billion.