

香港特別行政區政府
商務及經濟發展局
工商及旅遊科



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COMMERCE, INDUSTRY AND TOURISM BRANCH
**COMMERCE AND ECONOMIC
DEVELOPMENT BUREAU**
GOVERNMENT OF THE HONG KONG
SPECIAL ADMINISTRATIVE REGION

23/F, WEST WING
CENTRAL GOVERNMENT OFFICES
2 TIM MEI AVENUE
TAMAR, HONG KONG

26 November 2013

Ms Annette Lam
Clerk to Panel
Panel on Commerce and Industry
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Fax No.: 2978 7569)

Dear Ms Lam,

Legislative Council Panel on Commerce and Industry
Proposed Adjustment to Fees and Charges
under the Purview of the Trade and Industry Department

We have recently completed the annual fee review exercise by updating the full costs of the fee items under the purview of the Trade and Industry Department (TID). Based on the outcome of the review, we proposed to increase the fees for three strategic commodities-related fee items, i.e. Delivery Verification Certificate (from \$285 to \$315), International Import Certificate (from \$96 to \$105) and Permit under the Chemical Weapons (Convention) Ordinance (from \$235 to \$260); and to reduce the fee for the issue of a certified true copy (from \$300 to \$135). It is estimated that the proposed fee adjustments will result in a net decrease of around \$11,610 in the Government's revenue per annum. Details of the proposed fee adjustments can be found at the attached information paper.

When the Legislative Council Panel on Commerce and Industry discussed the proposed adjustment to fees and charges under the purview of TID in the past, some Members suggested that the Administration should consider seeking the Panel's views on proposed adjustments to statutory fees with insignificant financial implication by circulation in the future. We thus propose that the above paper be circulated to Members of the Panel. We would be happy to attend the Panel meeting if Members consider it necessary to have a discussion with the Administration on the paper.

Should you have any enquiry, please feel free to contact the undersigned at 2810 3029.

Yours sincerely,



(Jerry Ji)

for Secretary for Commerce and Economic Development

**For Information
By Circulation**

Legislative Council Panel on Commerce and Industry

**Proposed Adjustment to Fees and Charges
under the Purview of the Trade and Industry Department**

Purpose

This paper informs Members of the proposals to adjust fees and charges in respect of the certification and licensing services related to strategic commodities; and the issue of a certificate of accuracy of any copy of, or extract from, official records (“certified true copy”) under the purview of the Trade and Industry Department (“TID”).

Background

2. Under the “user-pays” principle, fees charged by the Government for various goods and services should be regularly reviewed and updated, and in general be set at levels adequate to recover the full cost of providing these goods and services. We have recently completed the annual review exercise by updating the full costs of the fee items.

Proposal

3. Based on the outcome of the review, we propose to increase the fees for three strategic commodities-related fee items, i.e. Delivery Verification Certificate (“DVC”), International Import Certificate (“IIC”)¹ and Permit under the Chemical Weapons (Convention) Ordinance (Cap.578) (“CWC Permit”), and to reduce the fee for the issue of a certified true copy.

4. For DVC, IIC and CWC Permit, we propose to adopt a gradual approach to achieve full-cost recovery through a fee increase by about 10% in 2013-14, in

¹ The fees for DVC and IIC were last reviewed and revised in March 2013.

accordance with the guidelines issued by the Financial Services and Treasury Bureau². As regards the fee for the issue of a certified true copy, we propose to reduce the fee concerned to achieve full-cost recovery. Details of the proposed adjustments are set out at **Annex**.

5. We plan to introduce the necessary legislative amendments to implement the proposed fee adjustments in the first quarter of 2014.

Efficiency Initiatives

6. We review regularly the relevant work procedures and where possible implement efficiency initiatives with a view to reducing or containing the cost of providing services. Efficiency savings have been reflected in the proposed fee adjustments.

Financial Implication

7. It is estimated that the proposed fee adjustments will result in a net decrease of around \$11,610 in revenue per annum.

Consultation

8. We have consulted TID's Customer Liaison Group for Strategic Commodities, which has indicated no objection to the proposed fee increase.

Advice Sought

9. Members are invited to note the proposed adjustments to the fees and charges as set out at **Annex**. We will proceed with the necessary legislative amendments to implement the proposed adjustments to the relevant statutory fees under the Import and Export (Fees) Regulations (Cap. 60B) and the Chemical Weapons (Convention) Ordinance (Cap. 578).

Commerce and Economic Development Bureau
Trade and Industry Department
November 2013

² According to the guidelines, for fees with an existing cost recovery rate of over 70%, full cost recovery is to be achieved within one to three years through a 10% or lower increase.

Proposed Adjustments to Fees and Charges
under the Purview of the Trade and Industry Department

		Existing Fee Level	Full Unit Cost according to Review Result	Proposed New Fee (Change in monetary and percentage terms compared with existing fee)
Schedule to Import and Export (Fees) Regulations, Cap. 60B				
1	Delivery Verification Certificate	\$285	\$347	\$315 (+\$30 / +10.5%)
2	International Import Certificate	\$96	\$122	\$105 (+\$9 / +9.4%)
3	Certified True Copy	\$300	\$134	\$135 (-\$165 / -55%)
Schedule 4 to Chemical Weapons (Convention) Ordinance, Cap. 578				
4	Permit under the Chemical Weapons (Convention) Ordinance	\$235	\$263	\$260 (+\$25 / +10.6%)