

LEGISLATIVE COUNCIL BRIEF

Import and Export Ordinance (Cap. 60) **IMPORT AND EXPORT (FEES) (AMENDMENT) REGULATION** **2014**

Chemical Weapons (Convention) Ordinance (Cap. 578) **CHEMICAL WEAPONS (CONVENTION) ORDINANCE** **(AMENDMENT OF SCHEDULE 4) ORDER 2014**

INTRODUCTION

Section 31(1)(x) of the Import and Export Ordinance (Cap. 60) provides that the Chief Executive in Council may make regulation for prescribing fees to be collected by the Director-General of Trade and Industry in respect of any matter arising under that Ordinance. Section 29A(1) of the Interpretation and General Clauses Ordinance (Cap. 1) provides that where the amount of any fee or charge for the time being specified in, or otherwise fixed or determined by, subsidiary legislation made by the Chief Executive in Council, the Financial Secretary (which also means the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) may by similar subsidiary legislation increase, decrease or vary the amount of the fee or charge.

2. Section 40(2) of the Chemical Weapons (Convention) Ordinance (Cap. 578) provides that the Financial Secretary (which also means the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) may by order amend Schedule 4 to that Ordinance, which specifies the fee to be paid in connection with an application for a permit under section 9 of that Ordinance (“CWC Permit”).

3. Under the above provisions, the Secretary for Financial Services and the Treasury has made the following subsidiary legislation, namely –

A (a) Import and Export (Fees) (Amendment) Regulation 2014 (“Amendment Regulation”) at **Annex A**; and

B (b) Chemical Weapons (Convention) Ordinance (Amendment of Schedule 4) Order 2014 (“Order”) at **Annex B**;

to revise the amounts of certain fees specified in the Schedule to the Import and Export (Fees) Regulations (Cap. 60 sub. leg. B) and Schedule 4 to the Chemical Weapons (Convention) Ordinance.

JUSTIFICATIONS

C 4. 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 fee review under the purview of the Trade and Industry Department (“TID”) concludes that two fees under the Import and Export (Fees) Regulations (i.e. Delivery Verification Certificate (“DVC”) and International Import Certificate (“IIC”)) and one fee under the Chemical Weapons (Convention) Ordinance (i.e. CWC Permit) are not adequate to recover the full costs of providing the relevant services; whilst one fee under the Import and Export (Fees) Regulations (i.e. the issue of a certificate of accuracy of any copy of, or extract from, official records (“certificate of accuracy”)) exceeds the full cost. Fee increases for three fee items and fee reduction for one fee item above in 2013-14 are therefore proposed. Details of the proposed adjustments are set out at **Annex C**.

THE AMENDMENT REGULATION AND THE ORDER

5. To meet the increased cost of providing the relevant services at the 2013-14 price level, the Amendment Regulation and the Order provide for about 10% increase in fees for the three items referred to in paragraph 4 above, i.e. DVC, IIC and CWC Permit. A gradual approach to achieve full cost recovery within one to three years through an annual fee increase by about 10% has been followed.

6. The fee for the issue of a certificate of accuracy is reduced by 55% as provided in the Amendment Regulation to reflect the reduced

cost of providing the service.

LEGISLATIVE TIMETABLE

7. The legislative timetable of the Amendment Regulation and the Order is as follows –

Publication in the Gazette	17 January 2014
Tabling at the Legislative Council	22 January 2014
Commencement	21 March 2014

EFFICIENCY INITIATIVES

8. TID 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

9. We estimate that the proposed fee adjustments will result in a net decrease of \$11,610 in revenue per annum. Given that the proposed fee adjustments are not significant, we expect that they will have little impact on business operating costs. The Amendment Regulation and the Order do not affect the current binding effect of the Import and Export Ordinance, the Import and Export (Fees) Regulations and the Chemical Weapons (Convention) Ordinance.

PUBLIC CONSULTATION

10. We informed the Panel on Commerce and Industry of the Legislative Council of the proposals to adjust the relevant fees in November 2013, and received no comment from the Panel.

PUBLICITY

11. The Amendment Regulation and the Order will be published in the Gazette on 17 January 2014. A spokesman will be available to handle enquiries.

ENQUIRIES

12. For enquiries on this brief, please contact Ms Jerry JI, Assistant Secretary for Commerce and Economic Development on 2810 3029.

Commerce and Economic Development Bureau
January 2014

Import and Export (Fees) (Amendment) Regulation 2014

(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 21 March 2014.

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 8—

Repeal

“300”

Substitute

“135”.

(2) The Schedule, item 10A—

Repeal

“285”

Substitute

“315”.

(3) The Schedule, item 10C—

Repeal

“96”

Substitute

“105”.



Secretary for Financial Services and
the Treasury

7 January 2014

Explanatory Note

This Regulation amends the Import and Export (Fees) Regulations (Cap. 60 sub. leg. B) to adjust the following fees payable under the Import and Export Ordinance (Cap. 60)—

- (a) the fee for the issue of a certificate of accuracy of any copy of, or extract from, official records;
- (b) the fee for the issue of a delivery verification certificate for the certification of delivery of strategic commodities into Hong Kong;
- (c) the fee for the issue of an international import certificate.

**Chemical Weapons (Convention) Ordinance
(Amendment of Schedule 4) Order 2014**

(Made by the Secretary for Financial Services and the Treasury under
section 40(2) of the Chemical Weapons (Convention) Ordinance (Cap.
578))

1. Commencement

This Order comes into operation on 21 March 2014.

2. Chemical Weapons (Convention) Ordinance amended

The Chemical Weapons (Convention) Ordinance (Cap. 578) is amended as set out in section 3.

3. Schedule 4 amended (fee to accompany application for permit under section 9 of this Ordinance)

Schedule 4—

Repeal

“\$235”

Substitute

“\$260”.



Secretary for Financial Services and
the Treasury

7 January 2014

Chemical Weapons (Convention) Ordinance (Amendment of Schedule 4) Order
2014

Explanatory Note
Paragraph 1

3

Explanatory Note

This Order adjusts the application fee for a permit under the Chemical Weapons (Convention) Ordinance (Cap. 578).

Annex C

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

		Existing Fee Level	Full Unit Cost at 2013-14 Prices	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	Certificate of Accuracy	\$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%)