

香港特別行政區政府
商務及經濟發展局
工商及旅遊科

香港添馬添美道二號
政府總部西翼二十三樓



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

Tel : 2810 3029
Fax : 2918 1273

17 October 2014

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 propose to increase the fees for two strategic commodities-related fee items, i.e. Delivery Verification Certificate (from \$315 to \$345) and International Import Certificate (from \$105 to \$115). It is estimated that the proposed fee adjustments will result in a net increase of around \$1,100 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. As the financial implication of the proposal is only \$1,100 per annum, we propose that the above paper be circulated to Members of the Panel. A similar paper was circulated to the Panel in November 2013. 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,

A handwritten signature in black ink, appearing to be 'Jerry Ji', written in a cursive style.

(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 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 or services should in general be set at levels adequate to recover the full cost of providing these goods or services. We have recently completed the annual review exercise by updating the full costs of the above fee items.

Proposal

3. Based on the outcome of the review, we propose to increase the fees for two strategic commodities-related items, i.e. Delivery Verification Certificate (“DVC”) and International Import Certificate (“IIC”)¹, under the Import and Export (Fees) Regulations (Cap. 60B). We also propose to adopt a gradual approach to achieve full-cost recovery through a fee increase by about 10% in 2014-15, in accordance with the Government-wide general guidelines for fee increases². Details of the proposed adjustments are set out at **Annex**.

4. We plan to introduce the relevant legislative amendments to implement the proposed fee adjustments in the first quarter of 2015.

¹ The fees for DVC and IIC were last revised in March 2014.

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.

Efficiency Initiatives

5. 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

6. It is estimated that the proposed fee adjustments will result in an increase of \$1,100 in revenue per annum.

Consultation

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

Advice Sought

8. 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).

Commerce and Economic Development Bureau

Trade and Industry Department

October 2014

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 at 2014-15 price level	Proposed Fee (Change in monetary and percentage terms compared with existing fee)
Schedule to Import and Export (Fees) Regulations, Cap. 60B				
1	Delivery Verification Certificate	\$315	\$360	\$345 (+\$30 / +9.5%)
2	International Import Certificate	\$105	\$126	\$115 (+\$10 / +9.5%)