

LEGISLATIVE COUNCIL BRIEF

Road Traffic Ordinance
(Chapter 374)

ROAD TRAFFIC (PARKING) (APPROVED CARDS) (AMENDMENT) NOTICE 2016

INTRODUCTION

Annex

In exercise of the power under regulation 12A of the Road Traffic (Parking) Regulations (Cap. 374C), the Commissioner for Transport (“the Commissioner”) has made the Road Traffic (Parking) (Approved Cards) (Amendment) Notice 2016, as set out at **Annex**. It amends the Road Traffic (Parking) (Approved Cards) Notice (Cap. 374V) to provide the legal basis for the continuous use of Octopus as payments means of parking meter fee, and to enable the New Parking Meter System Trial Scheme (“Trial Scheme”), which allows new types of cards/devices to be used for payment of parking meter fee.

JUSTIFICATIONS

2. On-street parking spaces are provided to cater for short-term parking needs. As at end-March 2016, there are some 9 800 parking meters installed at about 18 000 on-street parking spaces (one parking meter covers one or more parking spaces) across the territory.

3. By virtue of regulation 12A(a) of Cap. 374C, the Commissioner may, by legal notice published in the Gazette, approve any cards or other similar device –

- (a) not being a card or other device issued by him or on his behalf or authorised or arranged to be issued by him¹; and
- (b) which he considers appropriate,

¹ The Commissioner authorised a contractor to issue E-Park Card on his behalf during the period between 1998/99 and 2003/04. E-Park Card was the only payment means for parking meters at that time but has been subsequently replaced by Octopus since 2003/04. The Commissioner has no plan to issue any parking cards in the near future.

for use in payment of a parking fee in conjunction with a parking meter or a pay and display machine² specified under regulation 12A(b) of Cap. 374C.

4. Cap. 374V is made pursuant to regulation 12A of Cap. 374C. Section 2 of Cap. 374V stipulates that –

“Subject to section 3 –

(a) a multi-purpose card issued pursuant to section 16(3A)(a) or (3B) of the Banking Ordinance (Cap. 155); and

(b) a Card within the meaning of section 2 of the Banking Ordinance (Declaration under Section 2(14)(d)) (No. 2) Notice 1997 (Cap. 155 sub. leg. G)³,

are approved as approved cards for the purposes of regulation 12A(a) of the Road Traffic (Parking) Regulations (Cap. 374 sub. leg. C).”

5. At present, the Octopus is a multi-purpose card issued pursuant to section 16(3A)(a) of the Banking Ordinance (Cap. 155). By virtue of section 2(a) of Cap. 374V, Octopus is accepted as a legal payment means for parking meters and pay and display machines.

Payment Systems and Stored Value Facilities Ordinance (Cap. 584) (“PSSVFO”)

6. With the commencement of PSSVFO on 13 November 2015, the existing multi-purpose card regime under the Banking Ordinance (Cap. 155) will be migrated to PSSVFO, which provides for a regulatory regime for multi-purpose stored value facilities and retail payment systems, from 13 November 2016 onwards. In other words, the relevant sections concerning the multi-purpose card regime under the Banking Ordinance (Cap. 155) (including section 16(3A)(a) or (3B)) will be repealed by then. This will render the current legal basis for use of Octopus at parking meters under Cap. 374V no longer valid. We therefore need to provide the legal

² Pay and display machine is a type of payment method for parking fees by means of a display ticket, and is provided for under Cap. 374C. It has not been put in use after an earlier trial. Nonetheless, TD does not preclude the possibility of using it in future.

³ This notice was repealed in 2000.

basis for the continuous use of Octopus as an approved card for the purposes of regulation 12A(a) of Cap. 374C by amending Cap. 374V. The amendment has to take effect on or before 13 November 2016.

Trial Scheme

7. The existing parking meters have been in use for more than a decade and are reaching the end of their serviceable life. TD commenced the Trial Scheme in 2015 to introduce a new generation of parking meters with new features and functions.

8. Under the Trial Scheme, new parking meters will accept the following cards/devices for payment –

- (a) Octopus; and
- (b) various cards/devices enabled with the Visa payWave, MasterCard Contactless and UnionPay QuickPass payment functions and support offline payment transaction⁴ (hereafter referred to as “three types of contactless e-payment function”)⁵.

⁴ To achieve efficient operation, TD has specified in the agreement with its contractor responsible for the Trial Scheme that a parking meter should allow normal operation for at least six weeks without the need to replace battery and should complete the parking payment process within seven seconds after pressing the first button. All payment transactions made by cards/devices enabled with the three types of contactless e-payment function have to be made offline (because online authentication will consume more power resulting in the need for more frequent replacement of the battery sets in the parking meters and lengthen the processing time of each transaction). As such, only cards/devices enabled with the three types of contactless e-payment function and support offline payment transaction will be specified as approved cards/device.

⁵ Visa payWave, MasterCard Contactless and UnionPay QuickPass are accepted under the Trial Scheme because they were the only contactless payment cards/devices issued in the Hong Kong market when TD finalised the details of the Trial Scheme. If there are other suitable contactless payment functions subsequently emerged in the Hong Kong market, we are prepared to consider including them after the Trial Scheme.

9. Under the Trial Scheme, about 40 parking meters (covering around 120 parking spaces in total) will support the use of the three types of contactless e-payment function. These parking meters will be labeled with a Visa payWave logo, a MasterCard Contactless logo and a UnionPay QuickPass logo. Parking meters with no such logo will not support payment by these three types of approved cards/device.

10. An on-site trial of the new parking meters will be held starting from Q4 2016. Evaluation will be conducted in parallel with the on-site trial. Upon completion of the on-site trial, TD will proceed with the preparation of tender and bidding of resource for a new generation of parking meters to replace the existing ones.

11. Separately, the Government undertook at the meeting of Transport Panel of the LegCo (“Transport Panel”) in July 2012 to explore the use of payment by phone platform (“PPP”) for payment of parking meter fees. Upon payment by a registered approved card/device at the parking meter physically, the user could make subsequent payment for additional parking time up to the Longest Parking Period⁶ of the concerned parking meter by making a phone call or through mobile application. TD is working with its contractors on the technical details of the trial on the PPP application. We will also consider how the governing legislation should be amended.

THE NOTICE

Annex

12. The Notice, at **Annex**, amends Cap. 374V to achieve the above purposes. The Notice will commence on 5 July 2016.

LEGISLATIVE TIMETABLE

13. The milestones of the proposed legislative amendment are as follows –

Publication in the Gazette	13 May 2016
Tabling at the Legislative Council	18 May 2016
Commencement of the Notice	5 July 2016

⁶ Given the varying parking demand and traffic situations in different districts, TD imposes an upper limit of the parking time for individual parking meters, ranging from 30 minutes to 120 minutes.

PUBLIC CONSULTATION

14. We consulted the Transport Panel on the Trial Scheme in July 2012. The Panel generally endorsed the proposal to put on trial a new generation of parking meters with new features and functions.

IMPLICATIONS OF THE PROPOSAL

15. The proposal is in conformity with the Basic Law, including provisions concerning human rights. It does not affect the current binding effect of the Road Traffic Ordinance (Cap. 374). The proposal has no financial, civil service, economic, productivity, environmental, sustainability, family and gender implications.

PUBLICITY

16. A spokesperson will be available to answer media and public enquiries.

ENQUIRIES

17. Enquiries about this brief could be addressed to Ms Cordelia Lam, Principal Assistant Secretary for Transport and Housing, at 3509 8192.

Transport and Housing Bureau
11 May 2016

Road Traffic (Parking) (Approved Cards) (Amendment) Notice 2016

(Made by the Commissioner for Transport under regulation 12A of the Road Traffic (Parking) Regulations (Cap. 374 sub. leg. C))

1. Commencement

This Notice comes into operation on 5 July 2016.

2. Road Traffic (Parking) (Approved Cards) Notice amended

The Road Traffic (Parking) (Approved Cards) Notice (Cap. 374 sub. leg. V) is amended as set out in sections 3 and 4.

3. Section 1A added

Before section 2—

Add

“1A. Interpretation

In this Notice—

MasterCard Contactless (感應式 MasterCard) means the card or device-based contactless payment function the specifications of which are formulated and certified by MasterCard International Incorporated;

Octopus (八達通) means the stored value and payment facility—

- (a) that is issued by Octopus Cards Ltd.; and
- (b) the brand name of which is “Octopus”;

UnionPay QuickPass (銀聯閃付) means the card or device-based contactless payment function the specifications of

which are formulated and certified by UnionPay International;

Visa payWave means the card or device-based contactless payment function the specifications of which are formulated and certified by Visa Inc. and its subsidiaries.”.

4. Sections 2 and 3 substituted

Sections 2 and 3—

Repeal the sections

Substitute

“2. Approved card or device

- (1) The following cards or devices are approved for the purpose mentioned in subsection (2)—
 - (a) Octopus;
 - (b) a card or device that is enabled with Visa payWave and supports offline transaction;
 - (c) a card or device that is enabled with MasterCard Contactless and supports offline transaction;
 - (d) a card or device that is enabled with UnionPay QuickPass and supports offline transaction.
- (2) A card or device referred to in subsection (1) is approved for use in payment of a parking fee in conjunction with any parking meter, or pay and display machine, specified in section 3 in relation to the card or device.

3. Specified parking meter, etc.

- (1) A card operated parking meter or pay and display machine labelled with an Octopus logo is specified in relation to Octopus.

- (2) A card operated parking meter or pay and display machine labelled with a Visa payWave logo is specified in relation to a card or device referred to in section 2(1)(b).
- (3) A card operated parking meter or pay and display machine labelled with a MasterCard Contactless logo is specified in relation to a card or device referred to in section 2(1)(c).
- (4) A card operated parking meter or pay and display machine labelled with a UnionPay QuickPass logo is specified in relation to a card or device referred to in section 2(1)(d)."



Commissioner for Transport

6 May 2016

Explanatory Note

Under the Road Traffic (Parking) (Approved Cards) Notice (Cap. 374 sub. leg. V) (*principal Notice*), the multi-purpose card known as "Octopus" is approved by the Commissioner for Transport as a payment means for the card operated parking meters or pay and display machines specified in the principal Notice.

- 2. This Notice amends the principal Notice—
 - (a) to approve certain cards or devices that are enabled with a contactless payment function and support offline transaction as payment means for certain card operated parking meters or pay and display machines specified in the principal Notice; and
 - (b) to modify the definition of Octopus in the principal Notice in view of the Clearing and Settlement Systems (Amendment) Ordinance 2015 (18 of 2015).