

立法會
Legislative Council

LC Paper No. CB(1)1043/18-19
(These minutes have been seen
by the Administration)

Ref : CB1/SS/10/18

**Subcommittee on Revenue (Reduction of Business Registration Fees
and Branch Registration Fees) Order 2019**

**Minutes of first meeting held on
Tuesday, 26 March 2019, at 2:30 pm
in Conference Room 2 of the Legislative Council Complex**

Members present : Hon Steven HO Chun-yin, BBS (Chairman)
Hon Wilson OR Chong-shing, MH
Hon Vincent CHENG Wing-shun, MH

**Public Officers
attending** : Agenda item II

Financial Services and the Treasury Bureau

Mr Andrew LAI, JP
Deputy Secretary for Financial Services & the
Treasury (Treasury) 2

Ms Pecvin YONG
Principal Assistant Secretary (Treasury) (R1)

Inland Revenue Department

Ms TSE Yuk-yip, JP
Assistant Commissioner 3

Mr KWOK Ying-wah
Senior Assessor (Business Registration)

Department of Justice

Ms Amy CHAN
Senior Assistant Law Draftsman (Ag.)

Clerk in attendance : Mr Derek LO
Chief Council Secretary (1)5

Staff in attendance : Ms Wendy KAN
Assistant Legal Adviser 6

Ms Anki NG
Council Secretary (1)5

Ms Michelle NIEN
Legislative Assistant (1)5

Action

I. Election of Chairman

Mr Steven HO, the member who had the highest precedence in the Council among members of the Subcommittee present at the meeting, presided over the election of Chairman of the Subcommittee. He invited nominations for the chairmanship.

2. Mr Wilson OR nominated Mr Steven HO and the nomination was seconded by Mr Vincent CHENG. Mr Steven HO accepted the nomination. There being no other nominations, Mr Steven HO was elected Chairman of the Subcommittee.

3. Members agreed that there was no need to elect a Deputy Chairman.

II. Meeting with the Administration

- (LC Paper No. CB(1)761/18-19(01) — Administration's paper on Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019
- L.N. 29 of 2019 — Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019
- LC Paper No. LS54/18-19 — Legal Service Division Report)

4. The Subcommittee deliberated (index of proceedings in the **Appendix**).

Follow-up action to be taken by the Administration

5. The Administration was requested to provide written response to the Chairman's enquiry on the legal basis for and operational details of the mechanism for refund of business registration fees paid as referred to in paragraph 5 of the Administration's paper (LC Paper No. CB(1)761/18-19(01)), which had not been set out in the provisions of the Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019 ("the Order").

(Post-meeting note: The Administration's supplementary information was issued to members vide LC Paper No. CB(1)810/18-19(02) on 27 March 2019.)

Invitation of views

6. Members agreed that there was no need to invite public views on the Order.

Legislative timetable

7. The Subcommittee noted that the scrutiny period of the Order would expire at the Council meeting of 17 April 2019. Members noted that the Chairman would report the deliberations of the Subcommittee to the House Committee at its meeting on 29 March 2019. Members also noted that the Subcommittee and the Administration would not propose amendments to the Order.

II. Any other business

8. There being no other business, the meeting ended at 2:51 pm.

Council Business Division 1
Legislative Council Secretariat
9 May 2019

Appendix

**Proceedings of first meeting of the
Subcommittee on Revenue (Reduction of Business Registration Fees and
Branch Registration Fees) Order 2019
on Tuesday, 26 March 2019, at 2:30 pm
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Election of Chairman			
000438 – 000610	Mr Steven HO Mr Wilson OR Mr Vincent CHENG	Election of Chairman and opening remarks	
Agenda item II – Meeting with the Administration			
000611 – 000834	Chairman Administration	Briefing by the Administration on LC Paper No. CB(1)761/18-19(01) on the Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019 ("the Order").	
000835 – 001226	Chairman Mr Vincent CHENG Administration	<p>Mr Vincent CHENG expressed support for the Order. In response to Mr CHENG's enquiry, the Administration advised that the number of business operators which would benefit from the waiver of business registration and branch registration fees for 2019-2020 under the Order would be about 1.4 million.</p> <p>Mr CHENG also enquired about the reasons for not waiving the licence fees payable for trades and industries facing economic hardship, such as hawkers, in the 2019-2020 Budget.</p> <p>The Administration advised that –</p> <p>(a) taking into account recent changes in the global economic and trade environment which might have affected Hong Kong enterprises, the Financial Secretary ("FS") decided to introduce measures to support local enterprises in tiding over uncertainties in the present environment, with a view to supporting enterprises in reducing their operating costs. The waiver of business registration and branch registration fees was one of the measures so introduced;</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>(b) the business registration and branch registration fees had not been increased for over 20 years, with the last increase in 1994. The proposed waiver of business registration and branch registration fees in the 2019-2020 Budget was one-off, and various Budget measures were drawn up in accordance with the prevailing market and economic conditions with a view to supporting the enterprises and relieving people's burden. The waiver of business registration and branch registration fees was last proposed in the 2016-2017 Budget;</p> <p>(c) licence fees of hotels, guesthouses, restaurants, hawkers and travel agents, etc. had been waived in certain previous budgets to support the relevant sectors, such as the travel and retail industries which were affected by, for example, the downturn of tourism and the Occupy Central Movement in 2014. In 2018, the retail market had been satisfactory and the number of tourists had increased. Hence, waiver of business registration and branch registration fees for assisting business enterprises in general as proposed in the 2019-2020 Budget was an appropriate measure; and</p> <p>(d) the Administration would continue to assess the prevailing market conditions and public needs in formulating future budgets.</p> <p>Mr CHENG urged the Administration to consider waiver of licence fees of hawkers in the future budgets to benefit these small businesses.</p>	
001227 – 002105	Chairman Administration	<p>The Chairman expressed grave concern about the different considerations for proposing waiver of registration and licence fees for different sectors in the budgets. He queried whether there was a consistent policy on providing assistance and concessions to different sectors in the budgets, and whether the waiver of business registration and branch registration fees only in the 2019-2020 Budget was due to administrative convenience. He commented that due to the destruction of numerous fish rafts and fishing boats by Typhoon Mangkhut last year, the fishing industry was facing extreme economic hardship but the Government had not waived the relevant licence fees for fish rafts and fishing boats in the 2019-2020 Budget to assist the industry.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Chairman noted that FS had waived the licence fees of certain target groups, i.e. hawkers, hotels, guesthouses and travel agents of the travel industry in previous budgets when these sectors faced difficult times. He also noted that last year, FS had been "filling the gaps of existing assistance programmes" through the Caring and Sharing Scheme so as to provide assistance to those who had not benefited from the original concessionary measures proposed in the 2018-2019 Budget. He enquired about the reasons for not proposing waiver of licence fees for target groups facing difficulties including hawkers, and the fishing and farming industries in the 2019-2020 Budget. He called on the Administration to be more cautious and thorough when formulating concessionary measures in future budgets so that it would not result in certain sectors of a society being left out.</p> <p>The Administration advised that the waiver of business registration and branch registration fees covered over 1.4 million enterprises in different sectors in the 2019-2020 Budget and would assist the operation of enterprises at large.</p> <p>The Administration also took note of members' views about the coverage of concessionary measures to be formulated in future budgets and would relay the same to relevant bureaux/departments for reference.</p>	
<p>Examination of the Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019 (L.N. 29 of 2019)</p>			
<p>002106 – 002204</p>	<p>Chairman Administration</p>	<p><u>Section 1 – Commencement</u></p> <p><u>Section 2 – Interpretation</u></p> <p><u>Section 3 – Reduction of business registration fees</u></p> <p><u>Section 4 – Reduction of branch registration fees</u></p> <p>Members did not raise any questions on the above provisions.</p>	
<p>002205 – 002450</p>	<p>Chairman Administration</p>	<p>In response to the Chairman's enquiry about the difference between the proposed waiver of business registration and branch registration fees under the Order and the previous waivers under the relevant budgets in the past, the Administration advised that the arrangement for</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>wavier under the Order was the same as in previous exercises. As for the refund of business registration fees for businesses which were not yet required to renew their registration certificates within 2019-2020 but had nonetheless made payment in respect of business registration certificates or branch registration certificates with validity falling within 2019-2020, it would no longer be necessary for them to submit applications for refund. The Inland Revenue Department would directly send refund cheques to those eligible businesses for the business registration fees paid in respect of the waiver period starting from late July 2019.</p> <p>The Chairman enquired about the legal basis for and operational details of the mechanism for refund of business registration and branch registration fees paid as referred to in paragraph 5 of the Administration's paper (LC Paper No. CB(1)761/18-19(01)), which had not been specified in the Order.</p> <p>The Administration advised that the Chief Executive ("CE")'s separate approval would be sought for refund of business registration and branch registration fees already paid pursuant to section 39A(b) of the Public Finance Ordinance (Cap. 2), which provided that any fee or charge made payable by or under any Ordinance to the Government or to any public body or public officer, not being a fee or charge which is regulated by rules of court may be remitted or refunded, in whole or in part, in any particular case and on any special ground by CE. At the request of the Chairman, the Administration undertook to provide a written response on the legal basis for and operational details of the mechanism for refund of business registration and branch registration fees.</p> <p>The Chairman remarked that the Subcommittee had completed examination of the Order.</p>	<p>The Administration to follow up as stated in paragraph 5 of the minutes</p>
Agenda item III – Any other business			
002451 – 002535	Chairman	Legislative timetable and closing remarks	