

## **LEGISLATIVE COUNCIL BRIEF**

### **ENTERTAINMENT SPECIAL EFFECTS ORDINANCE (Cap. 560)**

#### **ENTERTAINMENT SPECIAL EFFECTS (FEES) (AMENDMENT) REGULATION 2019**

### **INTRODUCTION**

The Entertainment Special Effects (Fees) (Amendment) Regulation 2019 (the Amendment Regulation) at **Annex A** has been made to increase the fees prescribed in the Entertainment Special Effects (Fees) Regulation (Cap. 560B) (ESE(F)R).

### **BACKGROUND AND JUSTIFICATIONS**

2. The Entertainment Special Effects Ordinance (Cap. 560) (ESEO) provides for the regulation of the supply, use, conveyance and storage of special effects materials for and incidental to the production of special effects in film productions, entertainment programmes and performances, and other related matters. The Head of Create Hong Kong (CreateHK) is the Entertainment Special Effects Licensing Authority (the Authority) by virtue of section 3 of the ESEO.

3. Section 26(1)(n) and (o) of the ESEO stipulates that the Authority may, with the approval of the Secretary for Commerce and Economic Development, by regulation provide for fees payable in respect of –

- (a) any examination or assessment that may be required for the issue or alteration of a special effects operator licence; and
- (b) the issue, renewal, certification, replacement or alteration of any licence and permit and the exemption thereof.

The existing fees prescribed in the ESE(F)R have been in force since May 2013.

4. In accordance with the “user pays” principle, it is the Government’s policy that fees charged by the Government for various services should in general be set at levels sufficient to recover the full cost of providing the services. CreateHK conducted a costing exercise in 2018 to review the fees prescribed in the ESE(F)R. The outcome of the review reveals that 26 fee items under the ESE(F)R are unable to achieve full cost recovery. The Government has proposed to increase the relevant fee items by 11.1% to 14.4% so as to achieve full cost recovery. The existing and proposed fees are set out at **Annex B**.

## **THE AMENDMENT REGULATION**

5. To increase the fees prescribed in the ESE(F)R, we propose to amend the ESE(F)R by the Amendment Regulation.

## **LEGISLATIVE TIMETABLE**

6. The legislative timetable is as follows:

Publication in the Gazette	12 April 2019
Tabling at the Legislative Council	17 April 2019
Commencement	1 July 2019

## **IMPLICATIONS**

7. It is estimated that the fees revision will lead to an increase in government revenue of about \$140,000 per annum. Under the proposed fees revision, the increase in permits fees is just in the order of tens of dollars, whereas for licences, in over 90% of the items the fees increase is less than \$225. As to economic implications, given the small amount of fees increase, the proposed fees revision will have negligible impact on business operating costs of the film and entertainment sectors concerned.

8. The Amendment Regulation is in conformity with the Basic Law, including the provisions concerning human rights. The Amendment Regulation will not affect the current binding effect of the ESEO and its subsidiary legislation. It has no civil service, productivity, competition, environmental, sustainability, gender or family implications.

## **PUBLIC CONSULTATION**

9. We have consulted the Legislative Council Panel on Information Technology and Broadcasting on 14 January 2019, which had no objection to the proposal. We have also sounded out special effects operators of the relevant major companies (including the seven major special effects production companies) in Hong Kong on the proposed fees increase. Since the proposed fees increase is insignificant as compared to the business operating costs of the entertainment sectors concerned and there has been no adjustment for more than five years since the existing fees levels were effective in 2013, the trade takes note of the increase and understands that it is the Government's established policy to recover the full cost of providing a service under the "user pays" principle.

## **PUBLICITY**

10. A press release will be issued on 12 April 2019 on which the Amendment Regulation will be published in the Gazette and a spokesman will be made available for answering media enquiries. The licensees and the companies in the industry will be informed of the fees revisions.

## **ENQUIRIES**

11. Enquiries about this brief can be directed to Mr LAI Kwok-keung, Senior Engineer (Special Effects) of CreateHK, at 2594 6692 or [laurielai@createhk.gov.hk](mailto:laurielai@createhk.gov.hk).

**Communications and Creative Industries Branch  
Commerce and Economic Development Bureau  
10 April 2019**

**Entertainment Special Effects (Fees) (Amendment)  
Regulation 2019**

(Made by the Entertainment Special Effects Licensing Authority under section 26 of the Entertainment Special Effects Ordinance (Cap. 560) with the approval of the Secretary for Commerce and Economic Development)

**1. Commencement**

This Regulation comes into operation on 1 July 2019.

**2. Entertainment Special Effects (Fees) Regulation amended**

The Entertainment Special Effects (Fees) Regulation (Cap. 560 sub. leg. B) is amended as set out in section 3.

**3. Schedule amended**

(1) The Schedule, item 1—

**Repeal**

“475”

**Substitute**

“535”.

(2) The Schedule, item 2—

**Repeal**

“350”

**Substitute**

“390”.

(3) The Schedule, item 3(a)—

**Repeal**

“1,625”

**Substitute**

“1,850”.

(4) The Schedule, item 3(b)—

**Repeal**

“1,465”

**Substitute**

“1,670”.

(5) The Schedule, item 4(a)—

**Repeal**

“1,230”

**Substitute**

“1,390”.

(6) The Schedule, item 4(b)—

**Repeal**

“1,465”

**Substitute**

“1,670”.

(7) The Schedule, item 5(a)—

**Repeal**

“585”

**Substitute**

“665”.

(8) The Schedule, item 5(b)—

**Repeal**

“545”

**Substitute**

- “610”.
- (9) The Schedule, item 6(a)—  
**Repeal**  
 “1,475”  
**Substitute**  
 “1,670”.
- (10) The Schedule, item 6(b)—  
**Repeal**  
 “1,465”  
**Substitute**  
 “1,670”.
- (11) The Schedule, item 7(a)—  
**Repeal**  
 “585”  
**Substitute**  
 “665”.
- (12) The Schedule, item 7(b)—  
**Repeal**  
 “545”  
**Substitute**  
 “610”.
- (13) The Schedule, item 8(a)—  
**Repeal**  
 “1,625”  
**Substitute**  
 “1,850”.

- (14) The Schedule, item 8(b)—  
**Repeal**  
 “1,465”  
**Substitute**  
 “1,670”.
- (15) The Schedule, item 9(a)—  
**Repeal**  
 “1,625”  
**Substitute**  
 “1,850”.
- (16) The Schedule, item 9(b)—  
**Repeal**  
 “1,465”  
**Substitute**  
 “1,670”.
- (17) The Schedule, item 10(a)—  
**Repeal**  
 “585”  
**Substitute**  
 “665”.
- (18) The Schedule, item 10(b)—  
**Repeal**  
 “545”  
**Substitute**  
 “610”.
- (19) The Schedule, item 11(a)—

- Repeal**  
“585”
- Substitute**  
“665”.
- (20) The Schedule, item 11(b)—  
**Repeal**  
“545”
- Substitute**  
“610”.
- (21) The Schedule, item 12—  
**Repeal**  
“7,525”
- Substitute**  
“8,570”.
- (22) The Schedule, item 13—  
**Repeal**  
“7,230”
- Substitute**  
“8,270”.
- (23) The Schedule, item 14—  
**Repeal**  
“820”
- Substitute**  
“930”.
- (24) The Schedule, item 15—  
**Repeal**

- “135”
- Substitute**  
“150”.
- (25) The Schedule, item 16—  
**Repeal**  
“135”
- Substitute**  
“150”.
- (26) The Schedule, item 17—  
**Repeal**  
“135”
- Substitute**  
“150”.

Entertainment Special Effects  
Licensing Authority

2019

### Explanatory Note

The Schedule to the Entertainment Special Effects (Fees) Regulation (Cap. 560 sub. leg. B) sets out the fees payable for various matters under the Entertainment Special Effects Ordinance (Cap. 560) or the Entertainment Special Effects (General) Regulation (Cap. 560 sub. leg. A). Those matters (and the respective relevant items of that Schedule) are—

- (a) the issue of a discharge permit or conveyance permit (items 1 and 2);
  - (b) the issue or renewal of a special effects operator licence (items 3(a), 4(a), 6(a), 8(a) and 9(a));
  - (c) the issue or renewal of a special effects assistant licence (items 5(a), 7(a), 10(a) and 11(a));
  - (d) the assessment required for the issue or alteration of a special effects operator licence or special effects assistant licence (items 3(b), 4(b), 5(b), 6(b), 7(b), 8(b), 9(b), 10(b) and 11(b));
  - (e) the issue or renewal of a pyrotechnic special effects materials supplier licence or pyrotechnic special effects materials store licence (items 12, 13 and 14); and
  - (f) the replacement, alteration or certification of a licence or permit (items 15, 16 and 17).
2. This Regulation amends that Schedule to increase, with effect from 1 July 2019, the fees payable for those matters.

**Existing and Proposed Fees under  
Entertainment Special Effects (Fees) Regulation (Cap. 560B) (ESE(F)R)**

<b>Item specified in the Schedule to ESE(F)R</b>		<b>Existing Fee (\$)</b>	<b>Proposed Fee (\$)</b>
1	Issue of discharge permit	475	535
2	Issue of conveyance permit	350	390
3(a) 8(a) 9(a)	Issue or renewal of the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,625	1,850
3(b) 4(b) 6(b) 8(b) 9(b)	Assessment of an applicant for the following licences: Special Effects Operator Class I (Stream A); Special Effects Operator Class II (Stream A); Special Effects Operator (Stream B); Special Effects Operator (Stream A Short term); or Special Effects Operator (Stream B Short term)	1,465	1,670
4(a)	Issue or renewal of a Special Effects Operator Class II (Stream A) licence	1,230	1,390
5(a) 7(a) 10(a) 11(a)	Issue or renewal of the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	585	665



	<b>Item specified in the Schedule to ESE(F)R</b>	<b>Existing Fee (\$)</b>	<b>Proposed Fee (\$)</b>
5(b) 7(b) 10(b) 11(b)	Assessment of an applicant for the following licences: Special Effects Assistant (Stream A); Special Effects Assistant (Stream B); Special Effects Assistant (Stream A Short term); or Special Effects Assistant (Stream B Short term)	545	610
6(a)	Issue or renewal of a Special Effects Operator (Stream B) licence	1,475	1,670
12	Issue or renewal of pyrotechnic special effects materials supplier licence	7,525	8,570
13	Issue or renewal of non-movable pyrotechnic special effects materials store licence	7,230	8,270
14	Issue or renewal of movable pyrotechnic special effects materials store licence	820	930
15 16 17	Issue of replacement licence or permit Alterations to particulars on licence or permit Issue of certified copy of licence or permit	135	150