File Ref: TLB 303-002-031-Part 001

LEGISLATIVE COUNCIL BRIEF

Road Tunnels (Government) Ordinance (Cap. 368)
Road Traffic Ordinance (Cap. 374)

Road Tunnels (Government) (Amendment) (No. 2) Regulation 2025
Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 4) Regulation 2025
Road Traffic (Parking) (Amendment) Regulation 2025

INTRODUCTION

At the meeting of the Executive Council on 8 July 2025, the Council **advised** and the Chief Executive **ordered** that the Road Tunnels (Government) (Amendment) (No. 2) Regulation 2025 (Cap. 368A Amendment Regulation), as set out in **Annex A**, should be made under section 20 of the Road Tunnels (Government) Ordinance (Cap. 368); and under section 6(2)(a) of the Road Traffic Ordinance (Cap. 374), the Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 4) Regulation 2025 (Cap. 374E Amendment Regulation), as set out in **Annex B**, should be made in order to give effect to the proposed measures in paragraphs 3 to 20 below. Additionally, the Secretary for Financial Services and the Treasury has exercised the authority under section 12(2) of the Road Traffic Ordinance (Cap. 374)[1] to make the Road Traffic (Parking) (Amendment) Regulation 2025 (Cap. 374C Amendment Regulation), as set out in **Annex C**, in order to give effect to the proposed measures in paragraphs 21 to 25 below.

JUSTIFICATIONS

2. In the 2025-26 Budget Speech, the Financial Secretary

[1] Section 12(2) of the Road Traffic Ordinance (Cap. 374) provides that the Chief Executive in Council may make regulations prescribing the maximum fees that may be charged for any parking place or any parking space within a parking place. Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which, under section 3 of that Ordinance, also refers to the Secretary for Financial Services and the Treasury) to vary fees specified in or otherwise fixed or determined by subsidiary legislation made by the Chief Executive in Council.

announced that the Government would review the tolls for government tunnels and major roads to reflect the "user pays" principle. Additionally, the Government would review the licence fees for electric private cars ("e-PCs") and parking meter charges to better manage traffic. The relevant review has been completed, and three amendments have now been formulated:

Amendment (1): Adjustment of Tunnel Tolls

3. Adopting a science-based approach, the Government has reviewed the tolls for government tunnels and major roads, adhering to four charging principles: traffic management needs, efficiency first, public transport first, and "user-pays", in the order of priority. After comprehensively considering these four principles and the specific circumstances of each tunnel and major road, it has been decided that the tolls for the Aberdeen Tunnel and Shing Mun Tunnels would be increased and a toll for the use of the Central Kowloon Bypass would be introduced. The toll scheme is summarised as follows:

	Current Toll (All Vehicles)	**Proposed Toll** (All Vehicles)
Aberdeen Tunnel	$5	**$8**
Shing Mun Tunnels	$5	**$8**
Central Kowloon Bypass (Yau Ma Tei Section Tunnel)[2]	/	**$8**

4. The rationale for the above amendments, the expected traffic impacts, and the projected revenue and expenditure are detailed in paragraphs 5-7 below, as well as in **Annex D**.

[2] The Central Kowloon Bypass comprises two separate tunnels, namely the Central Kowloon Bypass (Yau Ma Tei Section Tunnel) and the Central Kowloon Bypass (Kowloon Bay Section Tunnel). We are installing the HKeToll system on the Central Kowloon Bypass. All users of the Central Kowloon Bypass must pass through a toll point located near Kai Tak, which is situated at the eastern entrance/exit of the Central Kowloon Bypass (Yau Ma Tei Section Tunnel). As the Central Kowloon Bypass (Kowloon Bay Section Tunnel) has no connecting road to Kai Tak, vehicles using the Central Kowloon Bypass (Kowloon Bay Section Tunnel) will also use the Central Kowloon Bypass (Yau Ma Tei Section Tunnel). Therefore, setting up a toll point at the proposed location is sufficient to collect tunnel tolls from all vehicles using the Central Kowloon Bypass, without the need for an additional toll point for the Central Kowloon Bypass (Kowloon Bay Section Tunnel).

(a) Increase in tolls for Aberdeen Tunnel and Shing Mun Tunnels

5. The tolls for the Aberdeen Tunnel and Shing Mun Tunnels have not been adjusted for 34 years, during which inflation has exceeded 130%. The operating and maintenance costs of the tunnels have increased due to rising prices and equipment wear-and-tear, resulting in operational deficits[3]. Additionally, compared to their alternative routes, both tunnels offer shorter and more convenient travel, and the alternative routes currently have spare capacity to accommodate traffic flow. Therefore, there is both a financial need and traffic condition to adjust the tolls for these two tunnels. The $8 toll is expected to have minimal impact on traffic, and it is anticipated that the adjusted tolls will enable the tunnels to achieve breakeven in operations.

(b) Imposing a toll for the use of the Central Kowloon Bypass

6. The Central Kowloon Bypass is designed to alleviate traffic congestion on major trunk roads in Kowloon by providing a shorter and faster route, enabling motorists to save fuel cost and travel time. For example, the travel time between Kowloon Bay and Yau Ma Tei via the Central Kowloon Bypass is significantly reduced from approximately 30 minutes to about 5 minutes, making it highly attractive to motorists. If no toll is charged for the Central Kowloon Bypass, it is estimated that by mid-2026, shortly after its initial opening, the volume/capacity ratio during peak hours will reach 0.97, meaning that the utilisation rate would be close to capacity. This latest traffic flow estimate is higher than the projections made several years ago during the planning of the Central Kowloon Bypass public works project[4]. Therefore, from the traffic management perspective, we need to reserve some capacity for the Central Kowloon Bypass through tolling to accommodate future population and traffic growth in the new development areas. Furthermore, most sections of the Central Kowloon Bypass are tunnels equipped with ventilation, lighting facilities and more advanced traffic signal systems, resulting in

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[3] It is estimated that the Aberdeen Tunnel and Shing Mun Tunnels will record deficits of $18 million and $52 million respectively in the 2024-25 financial year (these are estimated figures, as the relevant accounts are still being prepared).

[4] When the Government planned the Central Kowloon Bypass public works project in 2017, it was estimated that, without tolls, the volume-to-capacity ratio during peak hours would reach approximately 0.9. However, based on the latest 2026 population projections, the total population in the areas surrounding the Central Kowloon Bypass, including East Kowloon and Tseung Kwan O, is approximately 6% higher than the estimates made at that time. Additionally, the latest traffic data indicates that the traffic volume on major east-west roads in Kowloon has increased by about 15% compared to the earlier estimates.

higher operating costs than ordinary roads. With the implementation of the "HKeToll" free-flow tolling service since 2023, the Government has successfully overcome the technical challenge of identifying land for toll plaza construction in densely populated urban areas. This advancement has provided greater flexibility in deploying effective traffic management measures, including tolling, to enhance overall traffic control. Taking full account of public affordability, the proposed toll for the Central Kowloon Bypass is expected to support partial cost recovery while still achieving the intended traffic diversion effect, thereby alleviating congestion on major trunk roads in Kowloon.

7. The Government has conducted a comprehensive evaluation of the anticipated traffic and financial conditions under various toll scenarios for the Central Kowloon Bypass. In balancing the objectives of traffic management and cost recovery, full consideration was given to the principles of "public transport first" and "efficiency first", with the aim of maximising traffic diversion benefits. The Legislative Council ("LegCo") Panel on Transport was consulted on 20 June 2025 regarding the results of the toll review, during which several toll scenarios—including a $10 scenario—were presented for focused discussion. Some Members suggested for the Government's consideration of suitably reducing the toll to attract more motorists. In response to feedback from LegCo Members and the public, and to encourage greater utilisation of the bypass for more effective traffic diversion, the Government now proposes a $8 toll. At this level, the bypass is expected to divert approximately 20% of traffic from major roads in Kowloon—comparable to the $10 scenario—while enabling more targeted relief on heavily congested arterial routes[5]. The proposed toll is also projected to recover nearly 80% of the bypass's basic operating costs[6], with commercial and public transport vehicles subject to the same moderate toll as smaller private cars. Moreover, the $8 toll is expected to preserve around 15% of spare capacity, thereby ensuring smooth traffic flow and accommodating future growth. Our toll scenario analysis shows that if the toll is further reduced to, for example, $5 or even toll-free, the cost recovery rate would drop

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[5] For example, Lung Cheung Road, Argyle Street and Gascoigne Road Flyover. During peak hours, the traffic flows on Lung Cheung Road and Argyle Street would drop to levels below their design capacities (the volume-to-capacity ratios would be about 0.99 and 0.81 respectively), while congestion on the busiest alternative route, Gascoigne Road Flyover, would also be decreased (the volume-to-capacity ratio would be about 1.22).

[6] The estimated annual revenue is approximately $219 million. Excluding asset depreciation related to construction costs, the basic annual operating expenses for the tunnels are approximately $280 million (including HKeToll operating expenses). The cost recovery ratio is approximately 78% (excluding asset depreciation). These are preliminary cost figures, which will be updated in the future.

significantly to about 54% and 0% respectively, while the spare capacity of the Bypass would be compressed to 10% to 3% upon commissioning, making this option undesirable.

8. We have also reviewed other government tunnels and trunk roads in accordance with the aforesaid four major principles. In summary, taking into account the traffic management needs of other government tunnels and trunk roads, their traffic flow and that of alternative routes, as well as future transport infrastructure projects related to each route, such as the commissioning of new alternative routes, we recommend maintaining the current tolling arrangements for the time being and reviewing them again at an appropriate juncture.

Implementation Dates

9. The proposed toll adjustments for the Aberdeen Tunnel and the Shing Mun Tunnels should be effective from 21 September 2025.

10. For the charges related to the Central Kowloon Bypass, our primary objective is to ensure that part of the road sections of the Central Kowloon Bypass (i.e. Yau Ma Tei Section Tunnel) is completed and commissioned by the end of this year. We anticipate that the relevant work related to the installation and testing of "HKeToll" will align with the construction programme of the remaining sections of the Central Kowloon Bypass (i.e. Kowloon Bay Section Tunnel), with completion expected by 2026. We will strive to commence toll collection after the entire Central Kowloon Bypass is commissioned in mid-2026. We propose empowering the Secretary for Transport and Logistics to appoint a date for commencing the toll plan for the use of the Central Kowloon Bypass.

<u>Amendment (2): Rationalising the licence fee structure and levels for e-PCs</u>

11. Through the implementation of various policy measures[7],

[7] To promote green transport and attain zero vehicular emissions by 2050, the then Environment Bureau promulgated the Hong Kong Roadmap on Popularisation of EVs in 2021 (Roadmap). The Roadmap sets the target to cease new registration of fuel-propelled PCs (including hybrid vehicles) in 2035 or earlier. The Government also introduced a series of measures to encourage motorists to switch to EVs, which include offering first registration tax concessions for EVs, launching the "One-for-One Replacement" Scheme since 2018, providing higher first registration tax concessions (which was capped at $287,500 at that time) to vehicle owners who scrap their old PCs to switch to e-PCs, as well as continuing the multi-pronged efforts in expanding the charging

notable progress has been made in the popularisation of electric vehicles ("EVs") in Hong Kong. The percentage of e-PCs among newly registered private cars increased significantly from 6.3% in 2019 to 71.1% in 2024. As at end-2024, the number of licensed e-PCs in Hong Kong stood at 105 609, constituting 18.3% of the total number of locally licensed PCs. As automotive technology continues to evolve, and with the increasing popularity of EVs, there is a need for the Government to review the annual licence fee ("ALF") structure.

To align with the advancement of EV technologies

12. The existing licence fees for e-PCs are charged by vehicle unladen weight[8]. With the advancement of EV technologies, EV batteries are becoming lighter and smaller in size, and the performance of EVs with similar unladen weights continues to improve. Calculating licence fees by unladen weight is no longer appropriate, and may not fully reflect the value of the e-PCs.

To align with similar practices in other parts of the world

13. There are similar practices to charge e-PCs fees or taxes by rated power in other economies. For instance, the annual road tax imposed on PCs in Singapore is charged based on the maximum power output in the case of e-PCs. Some economies (such as Italy and Spain) will take into account factors like vehicle power output when calculating the annual fees payable to governments for EVs.

To maintain fiscal discipline

14. As the prices and electricity consumption of e-PCs are generally directly proportional to their rated power, charging licence fees based on rated power would be more appropriate under the fiscal consideration of "affordable users pay". Adopting total rated power as the charging basis for e-PCs is also consistent with our current practice of charging fuel-propelled PCs according to engine cylinder capacity,

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network for EVs.

[8] The existing structure of ALF for e-PCs by unladen weight is shown in the table below:

Electrically powered passenger vehicle	ALF ($)
Not exceeding 1 tonne unladen weight; and	572
An additional fee for each 250 kg unladen weight or part thereof	124

Note: The ALFs are exclusive of the Traffic Accident Victims Assistance (TAVA) Fund levy.

because both reflect the horsepower of e-PCs' motors and fuel-propelled PCs' internal combustion engines respectively.

To maintain the attractiveness of EVs

15. At present, the weighted average ALF for fuel-propelled PCs (about $7,500) is about six times more than that for e-PCs (about $1,100) in Hong Kong. The energy expense per kilometre ("km") travelled by an e-PC is estimated to be around 89% less than that by a fuel-propelled PC[9], contributing to savings of around $32,000 in energy expenses per year[10]. In addition, the repair and maintenance costs for e-PCs are also comparatively lower[11]. A wider range of brands and models, including more competitively priced e-PCs, have also been introduced to the market in recent years, providing consumers with more choices. We expect that e-PCs will remain appealing to motorists even after the rationalisation of annual licence fee structure and levels.

16. The Government proposes to revise the annual licence fee structure for e-PCs by charging licence fees based on rated power[12] instead of unladen weight, and suitably adjust the fee levels. Currently, when a motor vehicle importer submits a type approval application to the Transport Department ("TD"), it is required to disclose information of a vehicle's rated power. The rated power of an e-PC is also clearly stated on the vehicle registration document and vehicle licence of each e-PC.

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[9] According to the Electrical and Mechanical Services Department's Energy Utilisation Index (Transport Sector), the electricity consumption of an e-PC is 19.7 kilowatt-hour per 100 km travelled. On the other hand, the fuel consumption of a petrol PC with engine cylinder capacity of 1 501-2 500 cubic centimetres ("c.c.") (i.e. the class of engine cylinder capacity to which most petrol PCs in Hong Kong belong) is 11 litres per 100 km travelled. Assuming the petrol price of $26.64 per litre with reference to the retail price of unleaded petrol as at 21 March 2025, the average fuel cost for petrol PCs is about $2.93 per km travelled. As for e-PCs, with reference to the average net tariff of 167 cents per kilowatt-hour charged by the Hongkong Electric Company Limited in January 2025, the energy expense for travelling the same distance is about $0.33, around 89% lower than that of petrol PCs.

[10] According to the Transport Department's Annual Traffic Census 2023 and statistics on PC licensing in December 2023, the average kilometrage per day per licensed PC was 33.74 km in 2023.

[11] According to the findings of "Electric Vehicle Ownership Costs: Today's Electric Vehicles Offer Big Savings for Consumers" published by Consumer Reports, Inc. in October 2020, the estimated average repair and maintenance costs for battery EVs and plug-in hybrid EVs are approximately half the costs for internal combustion engine vehicles throughout the lifetime.

[12] Some EVs may have more than one electric traction motor. In such case, the sum of rated power of each electric traction motor will be taken as the rated power of the EV. The relevant figures have been reflected in the vehicle registration document concerned.

(a) Proposed ALF Levels with "Five-phased" Incremental Adjustments

17. In consultation with the Environment and Ecology Bureau, taking reference from the ALF structure of fuel-propelled PCs, we propose a five-tier licence fee structure for e-PCs based on their rated power. The first tier covers entry-level e-PCs with a rated power up to 75 kW, followed by four incremental tiers of 50 kW each, with the last and highest tier covering high performance e-PCs with rated power of 225 kW. Taking into account public affordability and the views of the LegCo Panel on Transport, the adjustment process will take five phases over six years to complete. We propose to specify the entire adjustment process with the timeline for increments of ALF in the legislative amendment proposal. Details are as follows:

Rated power of e-PCs (kW)	**ALF ($)#***				
	1 November 2025 to 28 February 2027 (with a 4-month grace period)	**1 March 2027 to 29 February 2028**	**1 March 2028 to 28 February 2029**	**1 March 2029 to 28 February 2030**	**1 March 2030 onwards**
≤ 75	1,500	1,750	2,000	2,500	3,000
> 75 – 125	2,000	2,500	3,000	4,000	5,000
> 125 – 175	2,500	3,500	4,500	5,500	7,000
> 175 – 225	3,000	4,500	6,000	7,500	9,000
> 225	5,000	6,500	8,000	9,500	11,000

\# Exclusive of the TAVA Fund levy (at $114 per vehicle annually)
* The fee for a licence for four months is 35% of that for an annual licence, plus an additional fee of $30.

18. Under the proposed licence fee structure for e-PCs above, by 1 March 2030, the ALF levels will still be 25% (fifth tier) to 40% (first tier) lower than the current licence fees for fuel-propelled vehicles. According to the current distribution of licensed e-PCs, 99% of the vehicles fall within the first, second and third tiers, while the proportions of vehicles in the fourth and fifth tiers are only 1% and 0.1% respectively, details tabulated below:

Current licence fee structure for fuel-propelled PCs		**Proposed licence fee structure for e-PCs**			**Comparison of proposed licence fees for e-PCs and fuel-propelled PCs ($)**
Cylinder Capacity Licence fee tiers (c.c.)	Licence fee ($)	Rated power licence fee tiers (kW)	Proportion of licensed e-PCs in the licence fee tier (As at end-2024)	Proposed new licence fee (Starting from 1 March 2030)# ($)	
≤1 500	4,960	≤75	19.3%	3,000	-1,960 [-40%]
>1 500 – 2 500	7,384	>75-125	46.1%	5,000	-2,384 [-32%]
>2 500 – 3 500	9,815	>125-175	33.6%	7,000	-2,815 [-29%]
>3 500 – 4 500	12,246	>175-225	1.0%	9,000	-3,246 [-27%]
>4 500	14,580	>225	0.1%	11,000	-3,580 [-25%]
# Exclusive of the TAVA Fund levy (at $114 per vehicle annually)					

(b) Exempting disabled e-PC owners from payment of licence fees

19. Concessions to licence fee are offered to fuel-propelled PCs owned by eligible disabled persons under the existing legislation[13]. However, the arrangement is currently not applicable to e-PCs. We propose to offer similar licence fee concession to eligible disabled e-PC owners[14] upon commencement of the new licence fee structure for e-PCs to support the policy of social integration advocated by the Government.

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[13] Currently, no licence fee shall be payable where a registered PC owner is an eligible disabled person and the engine cylinder capacity of the PC does not exceed 1 500 cc. Where the engine cylinder capacity of the PC exceeds 1 500 cc:
(i) the ALF shall be calculated by the deduction from the prescribed licence fee payable in respect of its engine cylinder capacity which does not exceed 1 500 cc; and
(ii) the fee for a licence for four months shall be 35% of the ALF plus an additional fee of $15.

[14] No licence fee shall be payable where the rated power of an e-PC owned by an eligible disabled person does not exceed 75 kW. Where the rated power of the e-PC exceeds 75 kW, the ALF payable shall be calculated by the deduction from the prescribed ALF payable in respect of its rated power which does not exceed 75 kW.

Implementation Dates

20. The new licence fee structure will take effect from 1 November 2025 and will apply to newly registered e-PCs, while existing e-PCs will be granted a four-month grace period. As the application for renewal of vehicle licence can be made within four months prior to the expiry date of the existing licence, to save eligible e-PC owners from last-minute rush to the TD for renewing their vehicle licences right before the commencement of new ALF structure with a view to enjoying the existing lower rates, we propose to allow existing e-PC owners, who are eligible for renewing their vehicle licences on the commencement date, to renew their vehicle licences for one year or four months at the existing levels of licence fee within four months from the commencement date. This special arrangement will not be extended to the later adjustment phases, as the public will already be aware of the adjusted licence fees for the following four phases.

Amendment (3): Increasing the Maximum Fee Level for the Use of On-Street Parking Spaces

21. On-street parking spaces are provided to cater for the short-term parking needs of motorists. These parking spaces are normally metered, aiming at preventing long-term occupation and allowing more motorists to use them. At present, around 11 000 parking meters are provided for about 20 000 on-street parking spaces in Hong Kong. The TD has been striving to increase the provision of metered parking spaces, taking into account the road traffic situation and parking demand. The effort is evident in the growth of over 10% metered parking spaces between 2020 and 2024. However, the utilisation rate of these metered parking spaces has approached 90% (on average across the territory) to 95% (in certain busy areas).

22. While the maximum fee for use of metered parking spaces had been set at $2 per 15 minutes without adjustment for 31 years since 1994, the CCPI increased by over 70% during the period. Also, as the existing parking meter fees are significantly lower than the usual parking fees[15], some motorists tend to go round in circles to look for or wait for a vacant metered parking space, potentially leading to traffic obstruction.

[15] Including privately-operated car parks, short-term tenancy car parks, car parks under the Government Property Agency and the Hong Kong Housing Authority as well as car parks managed by the TD.

Motorists also have less incentive to pull out of metered parking spaces, thus lengthening the waiting time of other users. Given the above, we consider it necessary to optimise the use of limited parking resources by adjusting the maximum fees for metered parking, with a view to increasing the turnover of vehicles using metered parking spaces to meet the short-term parking needs of motorists.

Adjusting parking meter fees

23. We propose to increase the maximum fee for metered parking from $2 per 15 minutes to $4 per 15 minutes, viz. a maximum fee of $16 per hour[16].

24. Commercial vehicles ("CVs"), which are responsible for the transportation of passengers and goods and play a vital role in the logistics and tourism industries as well as the overall economy, have substantive demand for short-term parking spaces in their daily operations. Hence, the Government's policy in the provision of parking spaces is to accord priority to considering and meeting the parking demand of CVs. Therefore, we propose to maintain the fees for metered parking spaces for goods vehicles, buses and coaches[17] at the existing level.

Implementation Dates

25. The new charges for metered parking spaces will take effect from 28 September 2025.

OTHER OPTIONS

26. There are no other options as the proposal cannot be implemented without introducing legislative amendments.

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[16] After the adjustment, parking meters currently charging $2 per 15 minutes will be adjusted to charge $4 per 15 minutes; and those charging $2 per 30 minutes will be adjusted to charge $4 per 30 minutes.

[17] The parking spaces "for good vehicles" and "for vehicles other than medium and heavy goods vehicles, buses, motor cycles and pedal cycles" are also open to light goods vehicles.

AMENDMENT REGULATIONS

Cap. 368A Amendment Regulation

27. The Cap. 368A Amendment Regulation seeks to amend Part 1 of Schedule 2 to the Road Tunnels (Government) Regulations (Cap. 368, sub. leg. A) to increase the tunnel tolls for the Aberdeen Tunnel and Shing Mun Tunnels, and to prescribe the tunnel toll for the Central Kowloon Bypass (Yau Ma Tei Section Tunnel).

Cap. 374E Amendment Regulation

28. The Cap. 374E Amendment Regulation seeks to amend the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374, sub. leg. E) to establish a new licence fee structure for e-PCs based on rated power and to provide licence fee concessions for eligible disabled owners of e-PCs when the new annual licence fee structure takes effect.

Cap. 374C Amendment Regulation

29. The Cap. 374C Amendment Regulation seeks to amend Schedule 2 to the Road Traffic (Parking) Regulations (Cap. 374, sub. leg. C) to increase the maximum fee for the use of metered parking spaces and ticket-based parking spaces from $2 per 15 minutes to $4 per 15 minutes.

LEGISLATIVE TIMETABLE

30. The legislative timetable and commencement dates are as follows –

Publication in the Gazette	18 July 2025
Tabling at LegCo for negative vetting	23 July 2025
Commencement date	As specified in the relevant documents

IMPLICATIONS OF THE PROPOSAL

31. The proposal has no civil service, family or gender implications. Both Amendment Regulations are in conformity with the

Basic Law, including provisions concerning human rights, and will not affect the current binding effect of the Road Tunnels (Government) Ordinance, the Road Traffic Ordinance and their subsidiary legislation.

32. Increasing the tolls for the Aberdeen Tunnel and Shing Mun Tunnels, as well as introducing a toll for the use of the new Central Kowloon Bypass, will raise operational costs for the transport industry but will have a negligible impact on economic inflation. After implementing the new tunnel tolls, the Government is expected to generate an additional approximately $316 million in annual tunnel toll revenue from the Aberdeen Tunnel, Shing Mun Tunnels, and Central Kowloon Bypass, with total revenue estimated to increase to about $508 million. TD regularly reviews its day-to-day management and procedures, and controls its cost of services through implementing efficiency initiatives and streamlining procedures. Efficiency savings from these efforts have been factored into the calculation of the tolls to be charged by TD for the provision of relevant services. These measures will have no impact on the environment or sustainable development.

33. The adjustment of e-PC ALF will have minimal impact on overall consumer price inflation. On financial implications, the proposal is estimated to bring in additional revenues of about $11 million, $170 million, $330 million, $540 million and $860 million to the Government in 2025-26, 2026-27, 2027-28, 2028-29 and 2029-30 respectively. The overall environment and sustainability implications will be limited.

34. As regards adjusting the maximum fee levels for on-street parking meters, the additional annual revenues to be brought to the Government are estimated at about $220 million in 2025-26, and about $370 million in 2026-27. The proposal is expected to help accelerate the turnover of metered parking spaces, meeting drivers' short-term parking needs, and therefore facilitating smoother road traffic, reducing citizens' travel times and enhancing overall societal efficiency. The proposal will have no impact on the environment or sustainable development.

PUBLIC CONSULTATION

35. The LegCo Panel on Transport was consulted on 25 April 2025 on rationalising the ALF structure and levels for e-PCs; and adjusting the maximum fee levels for the use of on-street parking spaces. Most Members embraced the fee adjustment, but some regarded the former increments as considerable and suggested implementing a lower fee or

phasing the adjustments over a longer period; and suggested adopting a progressive fee structure for the latter while also addressing the issue of insufficient parking spaces. Taking into account the views of Panel Members and the public, we propose extending the ALF adjustments over five phases across a six-year period, with the final increment maintained at the level set in the original proposal, to allow the public more time to adapt.

36. The LegCo Panel on Transport was consulted on 20 June 2025 regarding the results of the tunnel toll review. Members generally raised no objections to the proposed toll increases for the Aberdeen Tunnel and Shing Mun Tunnels, as well as the introduction of tolls for the Central Kowloon Bypass. While some Members expressed differing views on the proposed toll level for the Central Kowloon Bypass, several suggested that the Government consider a lower toll in light of the $10 scenario presented to the LegCo. Given that the overall traffic diversion effects of the $10 and $8 toll scenarios are largely comparable, and in response to feedback from LegCo Members and the public, the Government now proposes the $8 toll plan. This toll level is expected to encourage greater usage of the bypass, thereby achieving effective traffic diversion and alleviating congestion on specific arterial routes in Kowloon in a more targeted manner.

PUBLICITY

37. Press release will be issued to publicise the new fee arrangements. A spokesperson will be available for answering media and public enquiries. When the Amendment Regulations come into effect, the TD will launch publicity campaign on the new charges to ensure their smooth implementation.

ENQUIRIES

38. Any enquiries on this brief can be addressed to Miss CHENG Sze-ling, Principal Assistant Secretary for Transport and Logistics 2, at 3509 8192.

Transport and Logistics Bureau
Transport Department
July 2025

Road Tunnels (Government) (Amendment) (No. 2) Regulation 2025

(Made by the Chief Executive in Council under section 20 of the Road Tunnels (Government) Ordinance (Cap. 368))

1. Commencement

(1) Subject to subsection (2), this Regulation comes into operation on 21 September 2025.

(2) Section 3(2) comes into operation on a day to be appointed by the Secretary for Transport and Logistics by notice published in the Gazette.

2. Road Tunnels (Government) Regulations amended

The Road Tunnels (Government) Regulations (Cap. 368 sub. leg. A) are amended as set out in section 3.

3. Schedule 2 amended (tolls and fees)

(1) Schedule 2, Part 1—

Repeal

"$5" (wherever appearing)

Substitute

"$8".

(2) Schedule 2, Part 1—

Repeal everything after the heading

Substitute

Annex A

"Column 1	Column 2	Column 3	Column 4
Item	Tunnel	Vehicle	Toll
1.	Aberdeen Tunnel	All vehicles	$8
2.	Central Kowloon Bypass (Yau Ma Tei Section Tunnel)	All vehicles	$8
3.	Lion Rock Tunnel	All vehicles	$8
4.	Shing Mun Tunnels	All vehicles	$8".

Clerk to the Executive Council

COUNCIL CHAMBER

2025

Explanatory Note

This Regulation amends Part 1 of Schedule 2 to the Road Tunnels (Government) Regulations (Cap. 368 sub. leg. A)—

(a) to increase the tolls for the Aberdeen Tunnel and the Shing Mun Tunnels; and

(b) to provide for the toll for the Central Kowloon Bypass (Yau Ma Tei Section Tunnel).

Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 4) Regulation 2025

Contents

Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 4) Regulation 2025

(Made by the Chief Executive in Council under section 6(2)(a) of the Road Traffic Ordinance (Cap. 374))

Part 1

Preliminary

1. Commencement

(1) Subject to subsections (2), (3), (4) and (5), this Regulation comes into operation on 1 November 2025.

(2) Part 3 comes into operation on 1 March 2027.

(3) Part 4 comes into operation on 1 March 2028.

(4) Part 5 comes into operation on 1 March 2029.

(5) Part 6 comes into operation on 1 March 2030.

2. Road Traffic (Registration and Licensing of Vehicles) Regulations amended

The Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E) are amended as set out in Parts 2 to 6.

Part 2

New Scale of Annual Licence Fees for Electrically Powered Passenger Vehicles and Related Amendments

3. Regulation 2 amended (interpretation)

Regulation 2(1)—

Add in alphabetical order

"*electrically powered passenger vehicle* (電動客車) means a private car solely propelled by an electric motor;".

4. Regulation 21 amended (licensing of motor vehicles)

Regulation 21(9)—

Repeal paragraphs (a) and (b)

Substitute

"(a) if the private car is not an electrically powered passenger vehicle—

(i) where the cylinder capacity of the private car's engine does not exceed 1 500 cubic centimetres—no licence fee is payable; or

(ii) where the cylinder capacity of the private car's engine exceeds 1 500 cubic centimetres—

(A) the annual licence fee for the purposes of this regulation is to be calculated in accordance with the following formula—

$$A = B - C$$

where: A means the annual licence fee;

B means the appropriate annual licence fee prescribed in Schedule 2; and

C means the annual licence fee payable in respect of a private car having an engine with a cylinder capacity that does not exceed 1 500 cubic centimetres; and

(B) the fee for a licence for 4 months is to be 35% of the annual licence fee calculated in accordance with sub-subparagraph (A) plus an additional fee of $15; or

(b) if the private car is an electrically powered passenger vehicle—

(i) where the rated power of the private car does not exceed 75 kilowatts—no licence fee is payable; or

(ii) where the rated power of the private car exceeds 75 kilowatts—

(A) the annual licence fee for the purposes of this regulation is to be calculated in accordance with the following formula—

$$D = E - F$$

where: D means the annual licence fee;

E means the appropriate annual licence fee prescribed in Schedule 2; and

F means the annual licence fee payable in respect of an electrically powered passenger vehicle the rated power of which does not exceed 75 kilowatts; and

(B) the fee for a licence for 4 months is to be 35% of the annual licence fee calculated in accordance with sub-subparagraph (A) plus an additional fee of $15.".

5. Regulation 23 amended (licensing of motor vehicles for use in Lantau only)

Regulation 23(2), proviso, paragraph (a)—

Repeal

"21(9)(b)(i);"

Substitute

"21(9)(a)(ii)(A) or (b)(ii)(A) (as the case requires);".

6. Regulation 23A amended (licensing of motor vehicles for use on private roads in Lantau only)

Regulation 23A(2), proviso, paragraph (a)—

Repeal

"21(9)(b)(i);"

Substitute

"21(9)(a)(ii)(A) or (b)(ii)(A) (as the case requires);".

7. Regulation 62A amended (transitional provisions for Revenue (First Registration Tax and Licence Fees for Motor Vehicles) Ordinance 2021)

(1) Regulation 62A, heading—

Repeal

"**Revenue (First Registration Tax and Licence Fees for Motor Vehicles) Ordinance 2021**"

Substitute

"**Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 4) Regulation 2025**".

(2) Regulation 62A(1), definition of ***pre-amended Schedule 2***—

Repeal

"11 a.m. on 24 February 2021"

Substitute

"1 November 2025".

(3) Regulation 62A(1)—

(a) definition of ***amended Schedule 2***;

(b) definition of ***Amendment Ordinance***—

Repeal the definitions.

(4) Regulation 62A(1)—

Add in alphabetical order

"***Amendment Regulation*** (《修訂規例》) means the Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 4) Regulation 2025;".

(5) Regulation 62A(2)(a)—

Repeal

"5 or".

(6) Regulation 62A(2)(a)—

Repeal

"23 June 2021"

Substitute

"28 February 2026".

(7) Regulation 62A(2)(c)—

Repeal

"23 June 2021"

Substitute

"28 February 2026".

(8) Regulation 62A(2)—

Repeal

"(as read together with regulation 64)".

(9) Regulation 62A(2)—

Repeal

"Ordinance had not been enacted"

Substitute

"Regulation had not been made".

(10) Regulation 62A(3)(a)—

Repeal

"5 or".

(11) Regulation 62A(3)(a)—

Repeal

"23 June 2021"

Substitute

"28 February 2026".

(12) Regulation 62A(3)(b)—

Repeal

"23 June 2021"

Substitute

"28 February 2026".

(13) Regulation 62A(4)—

Repeal

"(as read together with regulation 64(3)) (***that regulation***)".

(14) Regulation 62A(4)(a)—

Repeal

"24 February 2021"

Substitute

"1 November 2025".

(15) Regulation 62A(4)(b)—

Repeal

"24 February 2021"

Substitute

"1 November 2025".

(16) Regulation 62A(4)(b)—

Repeal

"the amended Schedule 2"

Substitute

"Schedule 2 as in force on that day".

8. Schedule 2 amended (fees)

Schedule 2, under heading "Annual Licence Fees"—

Repeal item 6

Substitute

"6. Electrically powered passenger vehicle the rated power of which—

(a)	does not exceed 75 kilowatts	1,500
(b)	exceeds 75 kilowatts but does not exceed 125 kilowatts	2,000
(c)	exceeds 125 kilowatts but does not exceed 175 kilowatts	2,500
(d)	exceeds 175 kilowatts but does not exceed 225 kilowatts	3,000
(e)	exceeds 225 kilowatts	5,000".

Part 3

Increase of Annual Licence Fees for Electrically Powered Passenger Vehicles in March 2027

9. Schedule 2 amended (fees)

(1) Schedule 2, under heading "Annual Licence Fees", item 6(a)—

Repeal

"1,500"

Substitute

"1,750".

(2) Schedule 2, under heading "Annual Licence Fees", item 6(b)—

Repeal

"2,000"

Substitute

"2,500".

(3) Schedule 2, under heading "Annual Licence Fees", item 6(c)—

Repeal

"2,500"

Substitute

"3,500".

(4) Schedule 2, under heading "Annual Licence Fees", item 6(d)—

Repeal

"3,000"

Substitute

"4,500".

(5) Schedule 2, under heading "Annual Licence Fees", item 6(e)—

Repeal

"5,000"

Substitute

"6,500".

Part 4

Increase of Annual Licence Fees for Electrically Powered Passenger Vehicles in March 2028

10. Schedule 2 amended (fees)

(1) Schedule 2, under heading "Annual Licence Fees", item 6(a)—

Repeal

"1,750"

Substitute

"2,000".

(2) Schedule 2, under heading "Annual Licence Fees", item 6(b)—

Repeal

"2,500"

Substitute

"3,000".

(3) Schedule 2, under heading "Annual Licence Fees", item 6(c)—

Repeal

"3,500"

Substitute

"4,500".

(4) Schedule 2, under heading "Annual Licence Fees", item 6(d)—

Repeal

"4,500"

Substitute

"6,000".

(5) Schedule 2, under heading "Annual Licence Fees", item 6(e)—

Repeal

"6,500"

Substitute

"8,000".

Part 5

Increase of Annual Licence Fees for Electrically Powered Passenger Vehicles in March 2029

11. Schedule 2 amended (fees)

(1) Schedule 2, under heading "Annual Licence Fees", item 6(a)—

Repeal

"2,000"

Substitute

"2,500".

(2) Schedule 2, under heading "Annual Licence Fees", item 6(b)—

Repeal

"3,000"

Substitute

"4,000".

(3) Schedule 2, under heading "Annual Licence Fees", item 6(c)—

Repeal

"4,500"

Substitute

"5,500".

(4) Schedule 2, under heading "Annual Licence Fees", item 6(d)—

Repeal

"6,000"

Substitute

"7,500".

(5) Schedule 2, under heading "Annual Licence Fees", item 6(e)—

Repeal

"8,000"

Substitute

"9,500".

Part 6

Increase of Annual Licence Fees for Electrically Powered Passenger Vehicles in March 2030

12. Schedule 2 amended (fees)

(1) Schedule 2, under heading "Annual Licence Fees", item 6(a)—

Repeal

"2,500"

Substitute

"3,000".

(2) Schedule 2, under heading "Annual Licence Fees", item 6(b)—

Repeal

"4,000"

Substitute

"5,000".

(3) Schedule 2, under heading "Annual Licence Fees", item 6(c)—

Repeal

"5,500"

Substitute

"7,000".

(4) Schedule 2, under heading "Annual Licence Fees", item 6(d)—

Repeal

"7,500"

Substitute

"9,000".

(5) Schedule 2, under heading "Annual Licence Fees", item 6(e)—

Repeal

"9,500"

Substitute

"11,000".

Clerk to the Executive Council

COUNCIL CHAMBER

2025

Explanatory Note

This Regulation amends the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E) (***principal Regulations***) to introduce a new scale of annual licence fees for electrically powered passenger vehicles. Under the new scale, licence fees will be calculated based on a vehicle's rated power instead of its unladen weight.

2. This Regulation also—

(a) makes related amendments to the principal Regulations;

(b) provides for transitional arrangements; and

(c) presets further increases for the licence fees in March 2027, 2028, 2029 and 2030.

Road Traffic (Parking) (Amendment) Regulation 2025

(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 12(2) of the Road Traffic Ordinance (Cap. 374))

1. Commencement

This Regulation comes into operation on 28 September 2025.

2. Road Traffic (Parking) Regulations amended

The Road Traffic (Parking) Regulations (Cap. 374 sub. leg. C) are amended as set out in section 3.

3. Schedule 2 amended (parking fees)

(1) Schedule 2, Part 1, column 1—

Repeal

"$2"

Substitute

"$4".

(2) Schedule 2, Part 2, column 1—

Repeal

"$2"

Substitute

"$4".

Secretary for Financial Services and the Treasury

2025

Explanatory Note

This Regulation amends Schedule 2 to the Road Traffic (Parking) Regulations (Cap. 374 sub. leg. C) to increase the maximum fees for the use of metered parking spaces and the use of pay and display parking spaces from $2 per 15 minutes to $4 per 15 minutes.

Annex D

SUMMARY OF THE PROPOSAL

The summary tables below set out the toll adjustment proposal, the estimated volume/capacity (V/C) ratio in peak hours for the tunnels concerned and their major alternative routes, as well as the projected revenue and expenditure –

Aberdeen Tunnel ("ABT")

2. In 2024-25, the ABT recorded operating deficit of about $18 million[1]. We anticipate that such a situation will worsen, with the operational deficit for the ABT projected to reach about $35 million by 2027-28. With the proposed toll increase for the ABT from $5 to $8, it is estimated that the annual revenue will increase to about $157 million.

3. Traffic-wise, the ABT and its major alternative route, Wong Nai Chung Gap Road, still have spare capacity. The traffic impact of the proposed toll increase for ABT from $5 to $8 would be minimal. The traffic at the ABT is projected to decrease slightly, whereas traffic on Wong Nai Chung Gap Road is anticipated to increase slightly. That said, the road network would still have sufficient capacity to accommodate the traffic change.

Toll scenario	Estimated V/C ratio[2]		Year 2027-28 (Estimated)	
	ABT	Major alternative route of ABT: Wong Nai Chung Gap Road	Revenue	Expenditure
$5 (Current)	0.79	0.78	$107 million	$142 million
$8	0.75	0.85	$157 million	$142 million

[1] This is a projection figure as the relevant account is under compilation.

[2] The V/C ratio is an indicator of the performance of a road. A V/C ratio equals to or less than 1.0 means that a road has sufficient capacity to cope with the volume under consideration. A V/C ratio above 1.0 indicates the onset of congestion; and more serious congestion with speed deteriorating progressively with further increase in V/C ratio; when V/C ratio approaches 1.2, the traffic speed will decrease significantly.

Shing Mun Tunnels ("SMT")

4. In 2024-25, the SMT recorded operating deficit of about $52 million[3]. We anticipate that such a situation will persist into 2027-28. With the proposed toll increase for the SMT from $5 to $8, it is estimated that the annual revenue will increase to about $132 million.

5. The SMT and its major alternative routes, Tai Po Road and Route 8, still have spare capacity. The traffic impact of the proposed toll increase for the SMT from $5 to $8 would be minimal. The traffic at the SMT and its alternative routes is anticipated to remain largely stable, with sufficient capacity on the relevant sections to accommodate the traffic change.

Toll scenario	Estimated V/C ratio			Year 2027-28 (Estimated)	
	SMT	Major alternative routes of SMT		Revenue	Expenditure
		Tai Po Road	Route 8		
$5 (Current)	0.72	0.86	0.84	$85 million	$137 million
$8	0.70	0.86	0.84	$132 million	$137 million

[3] This is a projection figure as the relevant account is under compilation.

Central Kowloon Bypass ("CKB")

6. The CKB is 8-km long (with 7 km of it being tunnels), and the construction, operation and maintenance costs are quite high (construction costs are about $58 billion and the annual operating expenses are about $1.17 billion). Imposing a $8 toll on the CKB (Yau Ma Tei Section Tunnel) is expected to generate $219 million toll revenue per year.

7. With a toll at $8, the CKB would still achieve effective traffic diversion effect upon its commissioning. The CKB is also expected to divert approximately 20% of overall east-west road traffic in Kowloon, effectively alleviating congestion on existing major roads (e.g. Lung Cheung Road, Argyle Street, Gascoigne Road Flyover, Kwun Tong Bypass, etc.) and local roads (e.g. those in Kowloon City, Sham Shui Po, and Yau Tsim Mong Districts). At the same time, the CKB would have a spare capacity of 15% to accommodate future traffic growth.

Toll scenario	**Estimated V/C ratio**				**Year 2028-29 (Estimated)**	
	CKB (Yau Ma Tei Section Tunnel)	**Major alternative routes of CKB**			**Revenue**	**Operating Expenditure**[4]
		Lung Cheung Road	**Argyle Street**	**Gascoigne Road Flyover**		
$0	0.97	0.96	0.79	1.15	-	$240 million
Recommended: $8	**0.85**	**0.99**	**0.81**	**1.22**	**$219 million**	**$280 million**
$10	0.81	1.00	0.82	1.24	$257 million	$280 million

[4] The estimated overall operating cost of CKB (Yau Ma Tei Section Tunnel) and the CKB (Kowloon Bay Section Tunnel) (including asset depreciation of construction costs and HKeToll expenses) would account for $1.17 billion. Excluding asset depreciation related to construction costs, the basic operating cost is approximately $280 million per year (including HKeToll operating expenses). These are preliminary cost figures, which will be updated in the future.