

LEGISLATIVE COUNCIL BRIEF

Industrial Training (Clothing Industry) Ordinance
(Chapter 318)

Import and Export Ordinance
(Chapter 60)

INDUSTRIAL TRAINING (CLOTHING INDUSTRY) (AMENDMENT) BILL 1999

IMPORT AND EXPORT (REGISTRATION) (AMENDMENT) REGULATION 1999

WITHDRAWAL OF LODGEMENT OF IMPORT AND EXPORT DECLARATIONS IN PERSON

INTRODUCTION

At the meeting of the Executive Council on 16 November 1999, the Council ADVISED and the Chief Executive ORDERED that –

A (a) the Industrial Training (Clothing Industry) (Amendment) Bill 1999 at Annex A should be introduced into the Legislative Council; and

B (b) subject to the approval of the Legislative Council, the Import and Export (Registration)(Amendment) Regulation 1999 at Annex B should be made under section 31 of the Import and Export Ordinance,

to make electronic data interchange (EDI) the only means for lodging import and export declarations.

BACKGROUND AND ARGUMENT

General Background

2. To remain competitive, Hong Kong cannot afford lagging behind other trading centres in the use of electronic commerce. Government is therefore committed to providing for the submission of certain Government trade-related documents by EDI. Import and export declarations (commonly known as Trade Declarations or TDECs) are amongst these documents.

3. The EDI service for TDECs was launched on 1 April 1997. We intend to make EDI lodgement for TDECs compulsory by April 2000. As a first step, the Legislative Council approved the legislative amendments to give effect to the withdrawal of postal lodgement of TDECs. These amendments took effect from 1 April 1999.

Present Situation

4. At present, about 75% of the TDECs received by Government are lodged electronically and the remaining 25% are lodged through Customs and Excise Department's collection counters. To achieve compulsory lodgement by EDI by April 2000, we need to introduce amendments to the Industrial Training (Clothing Industry) Ordinance and the Import and Export (Registration) Regulations to delete the option of lodgement of TDECs in person at counters operated by the Customs and Excise Department.

5. To cater for some importers and exporters who choose not to submit TDECs electronically after April 2000, Tradelink, the company responsible for providing the gateway service for TDEC submissions, and its agents have provided a network of electronic trading access service (ETAS) centres for conversion of paper submissions into electronic ones. At present, there are 25 such centres.

THE BILL

6. The Bill seeks to delete the option of lodgement of export declarations in person for clothing items.

7. **Clause 2** amends section 23 to require exporters of clothing items to lodge their declarations by using services provided by a “specified body” (currently Tradelink) within the meaning of the Import and Export Ordinance.

8. **Clause 3** amends section 34(1) to remove the reference to the form of declaration as there will no longer be any paper lodgement.

C 9. The relevant provisions which are being amended are at Annex C.

THE AMENDMENT REGULATION

10. The Amendment Regulation seeks to delete the option of lodgement of TDECs in person.

11. **Sections 2 and 3** amend regulations 4 and 5 respectively to require importers and exporters to lodge their declarations with the Commissioner of Customs and Excise by using services provided by a “specified body” (currently Tradelink) within the meaning of the Import and Export Ordinance.

12. **Section 4** repeals regulation 6 which is no longer necessary since the place and manner of lodging declarations has now been stated in the amended regulations 4 and 5.

13. **Section 5** is a consequential amendment to regulation 7(1).

14. **Section 6** amends regulation 8 to retain only the charges payable for EDI lodgement of TDECs.

15. **Section 7** amends regulation 14(1) to remove the provision which authorizes the Commissioner of Customs and Excise to publish forms as there will no longer be any paper lodgement under the Import and Export (Registration) Regulations.

D 16. The relevant provisions which are being amended are at Annex D.

LEGISLATIVE TIMETABLE

17. The legislative timetable for the Bill is as follows-

Publication in the Gazette	19 November 1999
First Reading and commencement of Second Reading Debate	24 November 1999
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

18. We intend to introduce the Amendment Regulation into the Legislative Council on 8 December 1999 for approval in accordance with section 31(4) of the Import and Export Ordinance.

19. Subject to the approval of the Legislative Council, the Secretary for Trade and Industry will, by notice in the Gazette, appoint the same day for both the Bill and the Amendment Regulation to come into operation on 1 April 2000.

HUMAN RIGHTS IMPLICATIONS

20. The Department of Justice advises that the proposed legislation has no human rights implications.

BINDING EFFECT OF THE LEGISLATION

21. The proposed amendments will not affect the current binding effect of the Industrial Training (Clothing Industry) Ordinance and the Import and Export (Registration) Regulations.

FINANCIAL AND STAFFING IMPLICATIONS

22. Upon the removal of lodgement in person as a method of lodging TDECs, the Customs and Excise Department and the Census and Statistics Department will no longer have to process paper lodgements. It is estimated to achieve savings of 62 posts in the Customs and Excise Department at an annual staff cost of \$20.6 million and 131 posts in the Census and Statistics Department at an annual staff cost of \$35.7 million. The posts will be deleted by phases in accordance with the EDI implementation programme.

ECONOMIC IMPLICATIONS

23. The lodgement of TDECs by electronic means is an important step in encouraging the widespread use of electronic commerce in the community. This will enhance efficiency and is in line with an increasingly electronically-based international trade system.

ENVIRONMENTAL IMPLICATIONS

24. The replacement of paper lodgement of TDECs by electronic means will reduce paper consumption.

PUBLIC CONSULTATION

25. Since July 1999, the Customs and Excise Department has informed importers and exporters using its counter service for lodgement of TDECs

that the paper-based method will be replaced completely by electronic means by April 2000. We have asked some 30 major business associations to bring the message to their members. We also explained the proposed change to the Small and Medium Enterprises Committee at its meeting in September 1999. The Legislative Council Panel on Trade and Industry has been briefed. There is general support for the change.

PUBLICITY

26. A Legislative Council brief and a press release will be issued on 19 November 1999.

ENQUIRIES

27. Enquiries on this brief could be referred to Mr Philip Chan, Principal Assistant Secretary for Trade and Industry, on telephone number 2918 7480.

Trade and Industry Bureau
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