

**立法會**  
***Legislative Council***

LC Paper No. LS163/99-00

**Paper for the House Committee Meeting of the  
Legislative Council  
on 16 June 2000**

**Legal Service Division Report on  
Resolution under section 4(2) of the  
Dutiable Commodities Ordinance (Cap. 109)**

The Secretary for the Environment and Food has given notice to move a motion at the meeting of the Legislative Council on 26 June 2000. The main aim of the motion is to seek the Council's approval to introduce a concessionary duty rate on ultra low sulphur diesel (ULSD) as a fiscal incentive to encourage diesel vehicle drivers to use ULSD.

2. Section 4(2) of the Dutiable Commodities Ordinance provides that the Legislative Council may by resolution amend Schedule 1 to impose any duty on any class of dutiable goods. The proposed Resolution amends Part III of Schedule 1 to the Ordinance by imposing a duty for ULSD at a rate of \$2.00 per litre from 1 January 2001 to 31 December 2001. The duty on regular motor diesel during that year will be \$2.89 per litre. The Administration believes that the duty differential of \$0.89 per litre will encourage a quick switch to the environmentally cleaner fuel. Subject to this motion being passed into law, the rate for ULSD will be on a par with that of regular motor diesel from 1 January 2002 onwards. But the Administration states that it will review the situation before that date.

3. The Motor Traders Association and the oil companies support the introduction of ULSD. Members may refer to the LegCo Brief issued by the Environment and Food Bureau (Ref.: EFB9/55/01/137(2000)) in June for details.

4. The legal and drafting aspects of the proposed Resolution are in order.

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