For discussion
on 1 November 2001

LegCo Panel on Security

iPermit for Taiwan Residents

Introduction

This paper introduces the new iPermit scheme for Taiwan residents.

Background

2. In recent years, visitors from Taiwan have been the second largest tourist group visiting Hong Kong, just next to Mainland visitors. From 1997 to 1999, the annual number of Taiwan visitors amounted to around 1.9 million, representing a daily average arrival of about 5 200. The number of visits rose to 2.37 million in 2000, i.e. an average of some 6 500 visits per day. Total spending by Taiwan visitors in 2000 amounted to HK$ 11.43 billion, which accounted for over 19% of total visitor spending. Per capita spending by Taiwan visitors was estimated at HK$ 4 792 which was above the overall average of HK$4 539 for all overseas visitors.

3. Taiwan residents have to apply for Taiwan Visit Permits (TVPs) from the Immigration Department before they enter Hong Kong, except for transit purposes (see para 6 below). Both single-journey and multiple-journey TVPs are available. Single TVPs are valid for 3 months and good for a stay of up to 3 months. Multiple TVPs are valid for either 1 year (regular-size) or 3 years (jumbo-size), both good for a stay of 14 days on each landing. The fees for single TVP, one-year multiple and three-year multiple TVPs are $135, $270 and $540 respectively.

4. The normal processing time for single and multiple TVPs are 15 and 5 working days respectively. Under a fast track service introduced in 1998, multiple TVPs of 3-year validity can be issued

in 2 working days with a daily quota of 500. With effect from 15 October 2001, this fast-track service has been extended to cover both 1-year and 3-year TVPs without any quota.   It should be noted that it usually takes time for the handling airlines to hand in the applications to the Immigration Department and to pass the issued permits to applicants.   This adds to the total turnaround time.

5.   Under the present arrangements, Taiwan residents may apply for a TVP through any of the 21 authorised airlines (特許航空公司) in Taiwan.   The applications are then referred by the airlines to the Immigration Department by courier for processing.   TVPs issued by the Department will be collected by the airline and delivered to the applicant before he or she leaves Taiwan for Hong Kong.

6.   Since June 1998, holders of Mainland Travel Permit for Taiwan Residents (MTP) ("台灣居民來往大陸通行證", commonly known as "台胞證") with an entry/exit endorsement issued by the Mainland authorities are allowed to stay in Hong Kong en route to or from the Mainland for a period of up to 7 days without a TVP.

7.   Government has introduced a number of improvement measures in recent years to facilitate the entry of visitors from Taiwan (see details at Annex A).   As part of our continuous effort to enhance travel convenience, we commenced a feasibility study in 2000 to explore the possibility of processing TVP applications by making use of the latest information and communications technology.   The feasibility study has been completed and a plausible plan has been worked out.

Proposal

8.   As announced by the Chief Executive on 31 July 2001, Government will introduce an iPermit scheme for Taiwan visitors.   The scheme will make use of information and communications technology in processing applications for TVPs.   The iPermit scheme will significantly reduce processing time to within a few minutes.   A summary on how the new scheme works is set out below –

(a) The applicant will present identification documents and re-entry facilities at an authorised airline office in Taiwan. The airline staff will input the applicant's personal data into the computer system in Taiwan and transmit it to the Immigration Department through the Internet;

(b) The application will be processed automatically by the computer system of the Immigration Department;

(c) For normal cases, an "e- notification" will be sent to the airline office in Taiwan instantly and a confirmation slip will be printed out by the computers in the airline office and passed to the applicant;

(d) Simultaneously with (c), the Immigration Department's computer system will authorise and trigger the issuance and printing of the paper entry permit in the relevant airline office at the Hong Kong Airport; and

(e) The entry permit will be collected by the visitor upon arrival at the transfer desk or the airline office at the Hong Kong Airport before he/she proceeds to the immigration counters. Alternatively, the permit may also be delivered to the applicant prior to his/her departure from Taiwan, if he/she so wishes.

9.   The iPermit will be valid for 2 months and good for 2 trips. Visitors are allowed to stay for 14 days upon each landing.   A flow chart comparing the existing and proposed arrangements is at Annex B.

Benefits and Justifications

10.   The iPermit scheme will have the following benefits –

(a) The scheme will significantly enhance the travel convenience of our second largest group of tourists, and is expected to boost the tourism industry by bringing in additional customers and revenue.   This is in line with

Government's ongoing efforts to consolidate Hong Kong's position as a world-class tourist destination;

(b) The iPermit will offer an additional choice for Taiwan residents, in addition to the conventional TVPs, to suit different travelling needs :

- Frequent travellers may continue to make use of the multiple TVPs obtained through the conventional arrangements, while those in transit through Hong Kong to the Mainland may continue to use their MTPs;

- The iPermit will be particularly attractive to "pack-and-go" travellers. They would be able to walk into an airline office, present the relevant documents and if approved, be notified of the result almost instantly. They could then board the next available plane and collect their iPermit at the relevant airline transfer desk in Hong Kong before proceeding to the immigration counters for clearance; and

(c) The iPermit (good for 2 trips) is estimated to cost about $50. It is much more economical than the conventional single TVP (good for 1 trip only) currently priced at $135. This is made possible by the fully automated information system in processing iPermits with minimised manpower requirements in system control/maintenance and service/administrative support.

11. We have consulted the airlines concerned and their initial response is generally supportive. They have confirmed that the scheme is operationally feasible from their end. We will continue our dialogue with the relevant airlines in the detailed design of the scheme.

12. Due consideration has been given to security and control aspects in relation to the transmission and processing of personal data through the Internet. The iPermit scheme will be implemented through a standalone computer system fully

controlled by the Immigration Department. Airlines joining the scheme will be required to enter into agreements with Government to clearly set out their respective rights and obligations. The paper permits will be printed at airline offices using printers provided, controlled and maintained by the Immigration Department. They are printed in serial numbers to facilitate auditing and checking. The airlines will collect the blank permits from the Immigration Department and deposit a corresponding amount of money with the Immigration Department. The iPermit fee will be deducted in processing individual applications. Staff from the Department will conduct periodic spot checks to ensure the effective operation of the scheme and that the airlines concerned comply with their obligations in the agreements.

Financial Implications and Timetable

13. The estimated non-recurrent cost for implementing the scheme is $6.84 million. The total annual recurrent expenditure is estimated at $4.19 million, comprising $1.43 million recurrent expenditure for system maintenance and $2.76 million for recurrent staff cost and internal service support. The Immigration Department will absorb the recurrent staff cost from within existing resources.

14. The Immigration Department is working on the software design of the computer system and making necessary procurement. This will be followed by system installation and testing. We aim to implement the iPermit scheme in early 2002.
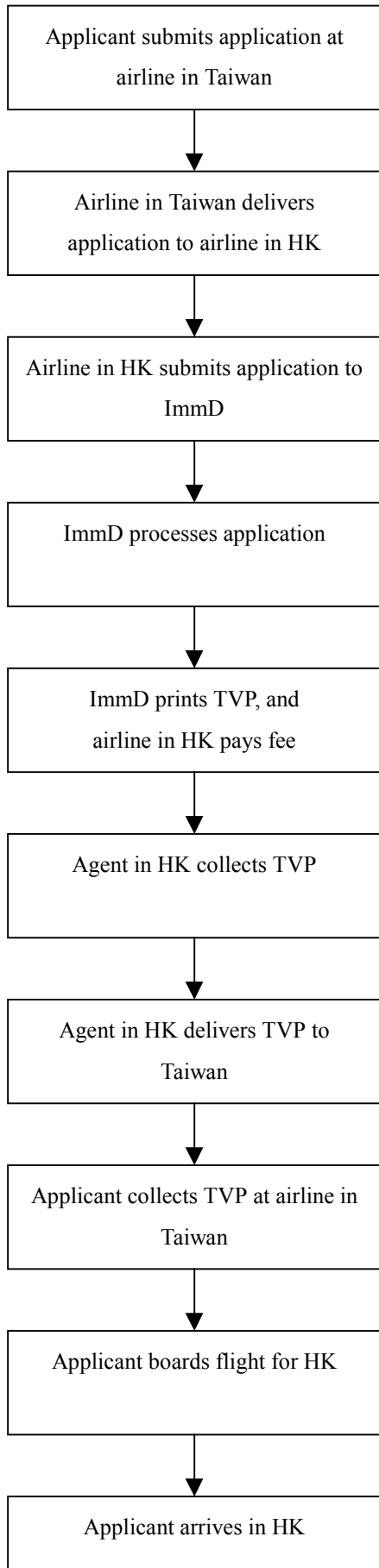
Security Bureau
October 2001

**Improvement Measures
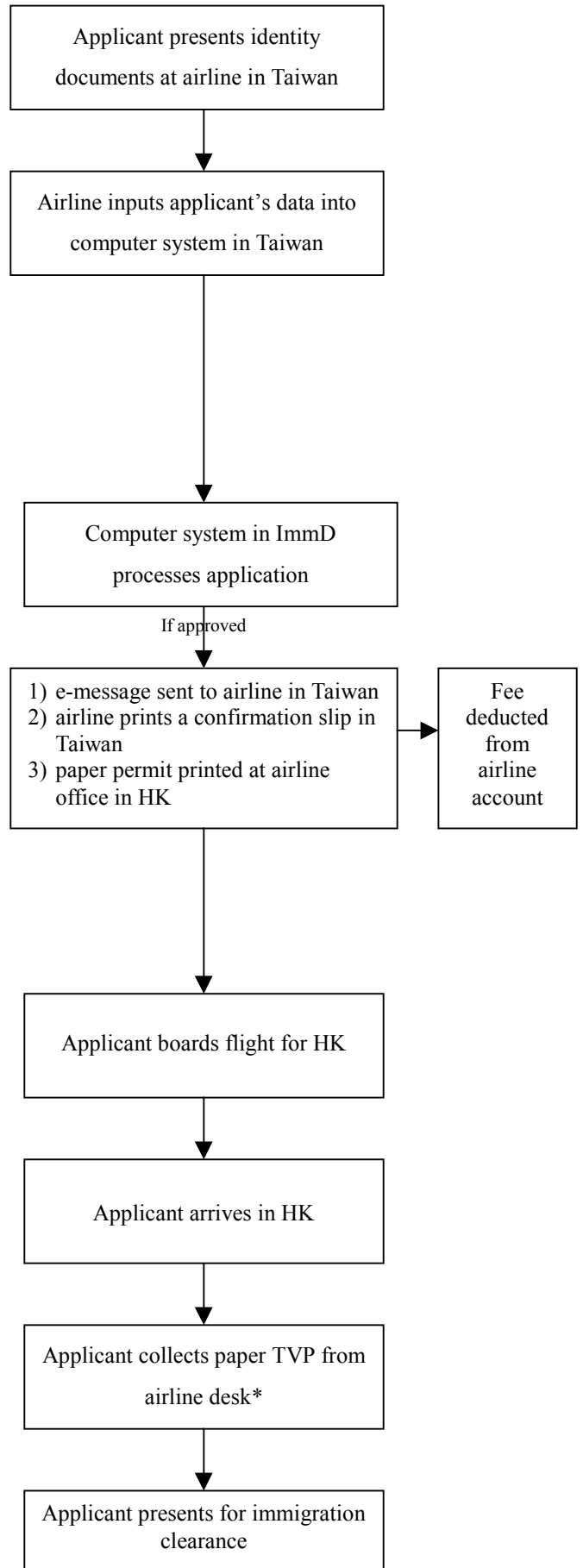to Facilitate Entry of Taiwan Residents**

(a) The period of stay for multiple TVP holders was extended from seven to fourteen days from June 1991.

(b) The number of types of TVPs was reduced from seven to three in January 1995 to simplify the application procedure.

(c) The processing time of applications for multiple-journey TVPs was reduced from seven to normally five working days in January 1995.

(d) The validity of the jumbo-size multiple-journey TVPs was extended from two to three years in January 1997.

(e) In June 1998, a fast track service for multiple-journey TVPs valid for three years was introduced with a daily quota of 500. The normal processing time was reduced from five to two working days. A daily average of about 428 applications were received in 2000.

(f) Since June 1998, holders of 'Mainland Travel Permit for Taiwan Residents' (台灣居民來往大陸通行證 - commonly known as "台胞證") (MTPs) with an entry/exit endorsement issued by the Mainland authorities have been allowed to transit Hong Kong en route to or from the Mainland for a period of up to seven days without an entry permit. In June - December 1998, a total of 249,363 Taiwan visitors entered Hong Kong through this channel, averaging over 1,100 per day. This daily average figure rose to 2,009 in 1999 and further up to 3,095 in 2000.

(g) From June 1998, the transit period allowed for Taiwan residents holding other acceptable travel documents other than TVPs and MTPs, such as PRC Travel Permit (with unreferred entry permit for transit), has been extended from two to seven days.

(h) Since 15 October 2001 the fast track service mentioned in (e) above has been extended to cover both 1-year and 3-year TVPs without any quota.

iPermit for Taiwan Residents   Annex B

Taiwan Visit Permit (TVP)
(existing TVP application process)

iPermit Scheme

Taiwan Visit Permit (TVP)	iPermit Scheme
Applicant submits application at airline in Taiwan	Applicant presents identity documents at airline in Taiwan
Airline in Taiwan delivers application to airline in HK	Airline inputs applicant's data into computer system in Taiwan
Airline in HK submits application to ImmD	Computer system in ImmD processes application
ImmD processes application	If approved
ImmD prints TVP, and airline in HK pays fee	1) e-message sent to airline in Taiwan 2) airline prints a confirmation slip in Taiwan 3) paper permit printed at airline office in HK → Fee deducted from airline account
Agent in HK collects TVP	Applicant boards flight for HK
Agent in HK delivers TVP to Taiwan	Applicant arrives in HK
Applicant collects TVP at airline in Taiwan	Applicant collects paper TVP from airline desk*
Applicant boards flight for HK	Applicant presents for immigration clearance
Applicant arrives in HK	

* If the applicant so wishes, the airline can deliver the permit to the applicant prior to his/her departure from Taiwan.