

財經事務及庫務局局長

香港雪廠街
中區政府合署



SECRETARY FOR FINANCIAL
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6 March 2003

Hon Mrs Selina Chow, GBS, JP
Chairman of the House Committee
Legislative Council Building
8 Jackson Road
Central
Hong Kong

Dear Mrs Chow,

Budget-related subsidiary legislation

In his Budget Speech on 5 March 2003, the Financial Secretary announced proposals to extend the duty concession for ultra low sulphur diesel (ULSD) for another year and to extend the exemption for electric vehicles from motor vehicles first registration tax (FRT) for another three years. The implementation of these proposals requires subsidiary legislation. I am writing to advise you of the Administration's plan to submit the subsidiary legislation which is necessary to effect these two concessions to the Legislative Council for approval.

The current concessionary duty rate on ULSD at \$1.11 per litre was approved by the Legislative Council in March 2002 and is scheduled to expire on 31 March 2003. Unless the Legislative Council by resolution amends Schedule 1 to the Dutiable Commodities Ordinance (Cap. 109) to vary the duty rate on ULSD, the duty rate will automatically revert to \$2.89 per litre on 1 April 2003.

The current exemption for electric vehicles from FRT was approved by the Legislative Council in May 2000. Unless the Legislative Council determines a later expiry date by resolution under section 5(4) of the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330), the exemption will automatically expire on 31 March 2003.

Against the above background, I intend to move two resolutions at the Council sitting on 19 March 2003, the last regular meeting in March at which resolutions may be moved, to effect the proposed extensions. I am seeking the President's agreement to waiving the 12-day notice requirement for resolutions under the Legislative Council Rules of Procedure 29(1).

I should be grateful if you could circulate this letter to all Members for their information. I look forward to your support of the concerned resolutions.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Frederick S Ma', with a stylized flourish at the end.

(Frederick S Ma)

Secretary for Financial Services and the Treasury