

LC Paper No. LS121/02-03

Paper for the House Committee Meeting on 6 June 2003

Legal Service Division Report on Subsidiary Legislation Gazetted on 30 May 2003

Date of tabling in LegCo	:	11 June 2003
Amendment to be made by	:	9 July 2003 (or the 1st meeting of LegCo in the next session if extended by resolution)

PART I SARS - RELIEF AND ECONOMIC REVIVAL MEASURES

Background

Members may recall that the Legal Service Division made a report to the House Committee on 30 May 2003 on items of subsidiary legislation (L.N. 130 to L.N. 133) which give effect to part of the measures which the Administration introduces to assist Hong Kong to tide over the current economic difficulties and to revive the economy once the Severe Acute Respiratory Syndrome ("SARS") becomes under control (Part I of LC Paper No. LS105/02-03).

2. L.N. 137 to L.N. 142, which provide for waiver or reduction of various licence fees for a period of one year commencing on 1 June 2003, represent the second part of the relief and economic revival measures required to be effected by subsidiary legislation. Members may refer to the LegCo Brief (Ref: FIN CR 5/2321/85 Pt.32) issued by the Financial Services and the Treasury Bureau dated 27 May 2003 for the background information on these items of subsidiary legislation.

3. The Administration briefed the Financial Affairs Panel on the relevant proposals at the special meeting held on 23 April 2003. Panel members supported the measures in general. Some members held the view that the Administration should provide more concessions to help the community, in particular those business sectors hard hit by the epidemic. Others pointed out that there should be relief measures to help Comprehensive Social Security Assistance recipients and nursery home operators. The Administration was urged to encourage private developers and statutory bodies to waive or lower their rents to assist businesses which were affected by SARS. Some members also suggested that the tax rebate be provided in the form of cash coupons to encourage local consumption.

4. According to paragraph 6 of the LegCo Brief, holders of licences which are valid for more than one year and will not expire during the concession period will, upon application, be refunded the licence fees already paid on a pro-rata basis by reference to the concession period. As the refund of licence fees is not provided in L.N. 137 to L.N. 142, we have asked the Administration to clarify how the refund will be given effect and implemented. A further report will be made when we have received the Administration's reply.

5. As for licence fees for hotels and guesthouses payable under the Hotel and Guesthouse Ordinance (Cap. 349) and the fees for restaurant licences, restricted food permits and hawker licences payable under the Public Health and Municipal Ordinance (Cap. 132), the Administration has stated in paragraph 15 of the LegCo Brief that waiver or refund of the relevant fees will be effected through the exercise of existing statutory powers without the need for additional subsidiary legislation.

6. L.N. 137 to L.N. 142 have taken effect from the date of their publication in the Gazette i.e. 30 May 2003. According to the Administration, the relief measures should be implemented as soon as possible.

Karaoke Establishments Ordinance (Cap. 573)Karaoke Establishments (Fee Concessions) Regulation 2003(L.N. 137)

7. This Regulation provides that in respect of certain applications relating to karaoke establishments made within the period 1 June 2003 to 31 May 2004 :

- (a) the fee of \$3,540 for the grant of a permit and the fee for the issue of a licence (ranging from \$10,500 to \$27,800) payable under the Karaoke Establishments (Fees) Regulation (Cap. 573 sub. leg. B) (the Fees Regulation) to operate a karaoke establishment is reduced by half;
- (b) the fee of \$1,240 for the renewal of a permit and the fee for the renewal of a licence (ranging from \$4,520 to \$8,400) payable under the Fees Regulation to operate a karaoke establishment is reduced by half; and
- (c) the fee of \$1,270 payable under the Fees Regulation for the grant of a provisional permit or the issue of a provisional licence to operate a karaoke establishment and the fee for its renewal is waived.

Road Traffic Ordinance (Cap. 374)

Road Traffic (Waiver of Motor Vehicle Licence Fees) Regulation 2003 (L.N. 138)

8. This Regulation provides for the waiver of following licence fees payable under the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E) if the date from which the licence takes effect falls within the period 1 June 2003 to 31 May 2004 :

- (a) the annual licence fees for non-franchised public buses and student private buses, calculated at the rate of \$25 for the driver and an additional fee of \$50 (in the case of public buses) and \$45 (in the case of private buses) for each seat for a passenger in such vehicles;
- (b) the annual licence fee of \$3,045 for taxis;
- (c) the annual licence fee of \$8,315 for public light buses; and
- (d) the annual licence fee of \$2,635 for school private light buses.

Travel Agents Ordinance (Cap. 218) Travel Agents (Waiver of Fees) Regulation 2003 (L.N. 139)

9. This Regulation provides for the waiver of the following fees payable under the Travel Agents Regulations (Cap. 218 sub. leg. A) in respect of a travel agent's licence :

- (a) the fee of \$630 for an application of a travel agent's licence in respect of an application made within the period 1 June 2003 to 31 May 2004; and
- (b) the fee for a travel agent's licence or the renewal of the licence (\$485 for each month of the term of the licence) if the term of the licence begins within the period 1 June 2003 to 31 May 2004, subject to a maximum of \$5,820.

Dutiable Commodities Ordinance (Cap. 109)

Dutiable Commodities (Waiver of Liquor licence Fees) Regulation 2003 (L.N. 140)

10. This Regulation provides for the waiver of the fees payable under the Dutiable Commodities Ordinance (Cap. 109) for the grant or renewal of liquor licences that take effect within the period 1 June 2003 to 31 May 2004. For Members' information, the existing fees for the grant or renewal of a liquor licence range from \$1,990 to \$3,940 in the urban area and from \$1,100 to \$4,300 in the New Territories.

Places of Public Entertainment Ordinance (Cap. 172) Places of Public Entertainment (Waiver of Fees) Regulation 2003 (L.N. 141)

11. This Regulation provides that the fees payable under the Places of Public Entertainment Ordinance (Cap. 172) for a licence granted or renewed in respect of a place of public entertainment designed as a theatre or cinema is waived if the term of the licence is for 12 months beginning from a date that falls within the period 1 June 2003 to 31 May 2004. For Members' information, the existing fees for a licence granted or renewed in respect of a theatre or cinema in the urban area and the New Territories range from \$14,260 to \$26,930 and from \$13,775 to \$24,785 respectively.

Road Traffic Ordinance (Cap. 374)

Road Traffic (Waiver of Passenger Service Licence Fees) Regulation 2003 (L.N. 142)

12. This Regulation provides for the waiver of the following fees payable under the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D) in respect of certain passenger service licences and passenger service licence certificates that take effect from a date that falls within the period 1 June 2003 to 31 May 2004 :

- (a) the passenger service licence fee of \$396 per annum each for operating a non-franchised public bus service, a public light bus service, a student private bus service and a school private light bus service; and
- (b) the fee of \$160 per vehicle per annum each for a passenger service licence certificate for a non-franchised public bus, public light bus, a student private bus and a school private light bus.

13. The Regulation also provides that the total amount of fees that can be waived in respect of the above passenger service licences and passenger service licence certificates is subject to a maximum of \$396 and \$160 respectively.

PART II AMENDMNETS TO OTHER SUBSIDIARY LEGISLATION

Dutiable Commodities Ordinance (Cap. 109)Dutiable Commodities (Amendment) Regulation 2003(L.N. 136)

14. Regulation 66(b) of the Dutiable Commodities Regulations (Cap. 109 sub. leg. A) (the principal Regulations) prescribes specific standards of quality for certain liquors, including western spirits, fortified wines and certain categories of commonly traded Chinese-type spirits. Under the Dutiable Commodities Ordinance (Cap. 109), those spirits which do not conform to the prescribed specific standards cannot be supplied and sold in Hong Kong.

15. This Regulation amends the principal Regulations to remove the standards of quality prescribed for certain categories of Chinese-type spirits, including rice spirit and millet spirit. The effect of this is that the all types of Chinese-type spirits may be supplied and sold in Hong Kong.

16. To facilitate the assessment of duties payable for liquors, the Regulation provides that unless otherwise exempted, every container of liquor imported into or manufactured in Hong Kong for local consumption is required to bear a label stating clearly the alcoholic strength, or the range of alcoholic strength, of the liquor. In the event of non-compliance with this labelling requirement, the importer or manufacturer in Hong Kong, of the liquor commits an offence and is liable on conviction to a fine at level 5 (\$50,000).

17. This Regulation will come into operation on a day to be appointed by the Secretary for Financial Services and the Treasury by notice published in the Gazette. The provisions relating to labelling of liquors will take effect 12 months after the commencement of this Regulation. This, according to the Administration, will allow time for importers and local manufacturers to make the necessary preparations.

18. According to the LegCo Brief (File Ref.: FIN CR 1/2311/88) issued by the Financial Services and the Treasury Bureau dated 28 May 2003, the Administration has consulted the major liquor trade associations and the major traders on the Regulation and received their general support. The Panel on Financial Affairs was consulted on 19 July 2002. Members of the Panel expressed general support for the proposed removal of prescribed standards for Chinese-type spirits as well as the labelling requirement.

19. We are seeking clarification from the Administration on certain technical matters, including whether the new offence relating to the labelling requirement is intended to be a strict liability offence. A further report will be made when we have received the Administration's reply.

Public Health and Municipal Services Ordinance (Cap. 132)Public Health and Municipal Services Ordinance (Public Pleasure Grounds)(Amendment of Fourth Schedule) (No. 2) Order 2003(L.N. 143)

20. This Order provides that with effect from 1 October 2003, the place known as Tai Po Shuen Wan Temporary Golf Driving Range ceases to be set aside for use as a public pleasure ground and makes consequential amendments to the Fourth Schedule to the Public Health and Municipal Services Ordinance (Cap. 132) in order to update the list of public pleasure grounds. The effect of this is that the Public Health and Municipal Services Ordinance will no longer apply to that place.

Tax Reserve Certificates Ordinance (Cap. 289)Tax Reserve Certificates (Rate of Interest) (No. 2) Notice 2003(L.N. 144)

21. This Notice fixes at 0.050% per annum the rate of interest payable on tax reserve certificates issued on or after 2 June 2003.

Prepared by

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