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5/F, DCH BUILDING, 20 Kai Cheung Road, Kowloon Bay, Hong Kong 香港 九龍灣 啓祥道 20 號 大昌行集團大廈 5 樓 Tel: (852) 2768-2768 Fax: (852) 2798-0592 Website: www.dchmsc.com

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[By email: <u>slchan@legco.gov.hk</u>] The Legislative Council Secretariat Bills Committee on Revenue (PVRM) Bill 2005 3/F Citibank Tower 3 Garden Road, Central Hong Kong

Dear Sir or Madam,

## **REVENUE (PERSONALIZED VEHICLE REGISTRATION MARKS) BILL 2005**

In response to your kind invitation for the expression of opinion, we now submit our points of view that, in principle, we **object to** the proposed Revenue (PVRM) Bill 2005. Our considerations could be divided into 3 different aspects: commercial, governmental, and the general public concerning the proposed change:

- There are possible technical problems of installing new PVRM license plate unto the front bumper and back panel of vehicles. By extending the limit from the existing maximum of 6-alphanumeric to the proposed 8-alphanumeric PVRM, it's likely that some vehicle models should have the redesign of the front bumper and back panel in order to accommodate that change. Else, the character size of PVRM has to be sacrificed.
- Also, according to the Provisions to display of registration marks and plates in an array of 4 alphanumeric x 2 rows would create unnecessary conflict between automobile retailers with prospective customers, in particular to some automobile manufacturers who have just designated a restricted back panel position for installation of number plate. That limitation would cause trouble and argument if a car owner who has its favourite PVRM as "LUCKY 38" to be split strangely into 2 rows of "LUCK" & "Y 38" for its' PVRM installed at the back of its vehicle. Legislation is one thing, actual implementation and acceptance by the citizens is another, in particular for very little meaningful words can be within 4-character long, unlikely! The purpose of bidding for that PRVM could not be achieved.



- The proposed PVRM may consist of a combination of up to 8 alphanumeric. It would induce practical problem to the commercial operations of automobile and related businesses. If the Bill could be passed, the industry has to amend a lot of computer programmes, redefine a lot of pre-printed forms and document in accommodating the change. System enhancement is a costly exercise. Nonetheless, the proposed format of PVRM allows so flexible the combination of alphanumeric with "blank space", which could create confusion and thus prone to human errors during processing. Work efficiency and productivity would be adversely affected.
- We are also in doubt that the bidding for PVRM would obstruct our businesses flow in completing our car sales procedures. Prospective buyers who opt for the PVRM have to wait until the successful bidding of their beloved PVRM before we can license the newly sold vehicles. It implies a longer cash flow and induces higher inventory cost in the industry.
- By the same token, not only the freedom of choice in PVRM will provide HKSARG a new source of revenue, but also it would come with a huge price tag that HKSARG have to suffer from computer system enhancement, reprinting of documents and forms, reduced civil servants' productivity, etc. as would likely be suffered by the commercial sector alongside. Before HKSARG could have enjoyed the benefit in improved revenue, there should be an upfront cost for implementing PVRM scheme already.
- On top of that induced inefficiency, we are also concern of the enforcement of laws relating to vehicles by adopting PVRM. Lack of public awareness of the existence of "blank space" in PVRM would cause confusion while reporting to the Police by misinterpreting "AB 1234" with the ordinary plate as "AB1234", just a case in point. The demarcation of two can be easier in computer system, in boxed pre-printed form and document, but extremely difficult while vehicles on the go. It is believed that there have a lots of propagation work by HKSARG to be carried out in order to teach the community at large about such a difference, especially to those non-vehicle owners in particular.
- Apart from the PVRM, there is currently the sale by auction of special registration marks (SRM) according to the existing Ch 374E-10 for the net sales proceeds would be contributed to the Lottery Fund. Adding the proposed PVRM would only cannibalize the existing SRM operations and erode the source of fund for subvention to the NGO's for the well being of the needy sacrificed for HKSARG's balance of account.
- Also, the existing owners of SRM would get hard-hit with the proposed PVRM with their assets' value become depreciated tremendously, if not totally evaporated, as a consequence of the new PVRM scheme. Though the impact of such is not as avalanche as our previous 88,000 housing policy, the interest of the existing SRM owners should be well respected.

With the above-mentioned reasons, it is concluded that ultimately the proposed Revenue (PVRM) Bill 2005 is just a zero sum game to the community at large! After all, the actual gain by HKSARG



is believed to be not that much, with benefits of the business sector, the current SRM owners, as well as the community in need forgone!

Thereof, we vote for objecting to the proposed Revenue (PVRM) Bill 2005 until the above issues get resolved satisfactorily with the interests of all stakeholders considered. Should you have any further inquiries, please do not hesitate to contact me at 2768-2361, or to my mailto at <u>bkkleung@dchmsc.com.hk</u>.

Yours sincerely, For and on Behalf of both Dah Chong Hong (MSC) Limited & Honest Motors Limited

Leung Kwok Kuen, Brian Head of Business Analysis Department Management Services Division

