

**For discussion  
on 18 December 2007**

**Legislative Council Panel on Commerce and Industry  
Proposed Adjustment to Miscellaneous Fees and Charges under the  
Purview of the Trade and Industry Department and the Census and  
Statistics Department**

**Purpose**

This paper seeks Members' views on proposals to adjust fees and charges related to miscellaneous import and export certification and administration services under the purview of the Trade and Industry Department (TID) and the Census and Statistics Department (C&SD).

**Background**

2. Since 1998, the Government has frozen many fees and charges in order to alleviate financial pressure on the public and the business sector. In this connection, most of the fees and charges relating to import and export certification and administration under the Import and Export Ordinance (Cap. 60) and Chemical Weapons (Convention) Ordinance (Cap. 578) have remained unchanged for a number of years.

3. In his 2004-05 Budget Speech, the Financial Secretary indicated that there was a need to resume adjustments to Government fees and charges, to reflect the established policy that such charges should in general be set at a level sufficient to cover the full cost of providing the services.

4. However, as the textiles quota regime was undergoing fundamental changes at that time, it was considered that the full costing exercise for various fees under the purview of TID should be carried out later. We have now completed a review of the cost of providing the relevant services and accordingly propose a number of fee adjustments.

**Proposals**

5. Based on the outcome of the review, we now propose to adjust the fees and charges for 20 items. The adjustments would involve increases in the fees for 12 items, reductions for six items and the introduction of two new fees. Details of the proposed adjustments are set out at **Annex A**.

6. We will introduce the necessary legislative amendments in early 2008. For some of the items, we propose to adopt a gradual approach to full cost recovery (in accordance with guidelines issued by the Financial Services and Treasury Bureau) as follows –

- (a) for those fees with an existing cost recovery rate of less than 40%, to achieve full-cost recovery within seven years through a 20% increase;
- (b) for those fees with an existing cost recovery rate of between 40% and 70%, to achieve full-cost recovery within three to seven years through a 15% increase; and
- (c) for those fees with an existing cost recovery rate of over 70%, to achieve full-cost recovery within one to three years through a 10% or lower increase.

### **Efficiency Initiatives**

7. We review regularly the relevant work procedures and where possible implement efficiency initiatives to reduce or contain the cost of providing services. Efficiency savings are reflected in the proposed fee adjustments.

### **Financial Implications**

8. The proposed fee adjustments will result in a net increase of around \$1.4 million in revenue per annum.

### **Consultation**

9. We are consulting various stakeholders, including relevant advisory bodies and trade groups. So far, there has not been any objection to the proposals. We will take into account all views before finalizing the proposals.

### **Advice Sought**

10. Members are invited to comment on the proposed adjustments to the fees and charges set out in **Annex A**. A list of related items in respect of which we do not propose to make adjustments is at **Annex B** for reference.

11. Subject to Members' views, we will proceed with the necessary legislative amendments to implement the adjustments for the statutory fees under Cap. 60 and Cap. 578.

**Commerce, Industry and Tourism Branch  
Commerce and Economic Development Bureau  
December 2007**

### Fees and Charges to be Adjusted

		Last Revision	Existing Fee Level	Existing Cost Recovery Level	Proposed Amount of Increase/ Decrease (percentage change)	New Fee Level
<b>Statutory Fees</b>						
<b>Schedule of Import and Export (Fees) Regulations, Cap. 60B</b>						
<b>Fee items under the purview of C&amp;SD</b>						
1	Landing Certificates issued to importers for non-dutiable/ non-strategic commodities	June 1997	\$385	89.3%	+\$45 (+11.7%)	\$430
2	Provision of official records of statistical data derived or extracted from import/export declarations to firms or individuals	June 1997	\$15	93.8%	+\$1 (+6.7%)	\$16
3	Signature fees for certifying copies of import/export declarations and cargo manifests	June 1997	\$245	103.4%	-\$10 (-4.1%)	\$235
<b>Fee items under the purview of TID</b>						
4	Certificate of Origin (submitted electronically through a service provider)	Sept 1999	\$95	63.3%	+\$15 (+15.8%)	\$110
5	Certificate of Origin (submitted on paper) ^	Sept 1999	\$110	N/A	+\$15 (+13.6%)	\$125
6	Production Notification for Cut and Sewn Garments (submitted electronically through a service provider)	Sept 1999	\$34	82.9%	+\$7 (+20.6%)	\$41
7	Production Notification for Cut and Sewn Garments (submitted on paper) ^	Sept 1999	\$49	N/A	+\$8 (+16.3%)	\$57

^ At present, all applications for certificate of origin (other than Form A) and Production Notification are submitted electronically. The fee for the paper mode is retained for contingency situations (e.g. computer breakdown).

		Last Revision	Existing Fee Level	Existing Cost Recovery Level	Proposed Amount of Increase/ Decrease (percentage change)	New Fee Level
8	Consignment - Specific Export Licence (Form 4)	June 1997	\$56	127.3%	-\$12 (-21.4%)	\$44
9	Consignment - Specific Import Licence (Form 7)	June 1997	\$40	88.9%	+\$5 (+12.5%)	\$45
10	Delivery Verification Certificate	June 1997	\$203	54.4%	+\$32 (+15.8%)	\$235
11	International Import Certificate	June 1997	\$65	26.0%	+\$14 (+21.5%)	\$79
12	Biennial Fee for Rough Diamond Trader Registration (New)	May 2006	\$660	102.0%	-\$15 (-2.3%)	\$645
13	Biennial Fee for Rough Diamond Trader Registration (Renewal)	May 2006	\$435	101.4%	-\$5 (-1.1%)	\$430
14	Import Certificate for Rough Diamond	May 2006	\$160	90.9%	+\$15 (+9.4%)	\$175
15	Export Certificate for Rough Diamond	May 2006	\$170	93.4%	+\$10 (+5.9%)	\$180
<b>Schedule 4 of Chemical Weapons (Convention) Ordinance, Cap. 578</b>						
16	Permit under the Chemical Weapons (Convention) Ordinance	June 2004	\$495	66.3%	+\$75 (+15.2%)	\$570
<b>Non Statutory Fees</b>						
17	Statutory Declaration of Antiques Certification	Jan 1998	\$1,539	119.3%	-\$249 (-16.2%)	\$1,290
18	Printing Service in Support and Consultation Centre for SMEs (SUCCESS)	Aug 2006	\$1.4	155.6%	-\$0.5 (-35.7%)	\$0.9
19	Hong Kong Service Supplier Certificate (Fresh Application)	N/A	Free of charge	0%	new fee	\$1,550
20	Hong Kong Service Supplier Certificate (Renewal and Replacement)	N/A	Renewal: Free Replacement: \$300	0% 98.4%	new fee +\$5 (+1.7%)	\$305

**Fees and Charges to Remain Unchanged**

		Last Revision	Existing Fee Level	Existing Cost Recovery Level
<b>Statutory Fees</b>				
<b>Schedule of Import and Export (Fees) Regulations, Cap. 60B</b>				
1	Factory Registration	Aug 1997	\$3,003	99.7%
2	Certificate of Origin (Form A)	Jan 1998	\$324	100.3%
3	Certified True Copy	June 1997	\$300	98.7%
<b>Regulation 15 of Reserved Commodities (Control of Imports, Exports and Reserve Stocks) Regulations, Cap. 296A</b>				
4	Reserved Commodities Registers Inspection Fee (Register of stockholders)	Nov 1979	\$5	Nominal Fee
<b>Regulation 8 of Reserved Commodities (Control of Sales by Wholesale) Regulations, Cap. 296B</b>				
5	Reserved Commodities Registers Inspection Fee (Register of wholesalers)	Nov 1979	\$5	Nominal Fee
<b>Non-Statutory Fee</b>				
6	Certified True Copy	June 1997	\$300	98.7%