

LEGISLATIVE COUNCIL BRIEF

Dutiable Commodities Ordinance (Chapter 109)

DUTIABLE COMMODITIES (AMENDMENT) REGULATION 2008

Firearms and Ammunition Ordinance (Chapter 238)

FIREARMS AND AMMUNITION (AMENDMENT) REGULATION 2008

FIREARMS AND AMMUNITION (STORAGE FEES)(AMENDMENT) ORDER 2008

Pawnbrokers Ordinance (Chapter 166)

PAWNBROKERS (AMENDMENT) REGULATION 2008

Massage Establishments Ordinance (Chapter 266)

MASSAGE ESTABLISHMENTS (AMENDMENT) REGULATION 2008

INTRODUCTION

Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) empowers the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) to vary fees which have previously been set by subsidiary legislation made by the Chief Executive in Council. Section 46(2) of the Firearms and Ammunition Ordinance (Cap. 238) also empowers the Financial Secretary to prescribe from time to time by order in the Gazette the storage fees for arms, ammunition or imitation firearms stored by the Commissioner of Police.

2. In exercise of these powers, the Secretary for Financial Services and the Treasury has made the Amendment Regulations and Amendment Order, as set out at *Annexes A to E*, to revise the fees specified in the following subsidiary legislation:

- (a) Dutiable Commodities Regulations made under the Dutiable Commodities Ordinance (the relevant Amendment Regulation at *Annex A*);

- (b) Firearms and Ammunition Regulations and Firearms and Ammunition (Storage Fees) Order, both made under the Firearms and Ammunition Ordinance (the relevant Amendment Regulation and Amendment Order at *Annexes B and C* respectively);
- (c) Pawnbrokers Regulations made under the Pawnbrokers Ordinance (the relevant Amendment Regulation at *Annex D*); and
- (d) Massage Establishments Regulations made under the Massage Establishments Ordinance (the relevant Amendment Regulation at *Annex E*).

BACKGROUND AND JUSTIFICATIONS

3. The fee for the issue of a temporary liquor licence is prescribed in the Dutiable Commodities Regulations (Cap. 109, sub. leg. A). The fees payable for various licences in relation to firearms and ammunition are prescribed in the Firearms and Ammunition Regulations (Cap. 238, sub. leg. A). The storage fees for arms, ammunition and imitation firearms are prescribed in the Firearms and Ammunition (Storage Fees) Order (Cap. 238, sub. leg. B). The fee for the issue or renewal of a pawnbroker licence is prescribed in the Pawnbroker Regulations (Cap. 166, sub. leg. A). The fees payable for the issue or renewal of a massage establishment licence are prescribed in the Massage Establishments Regulations (Cap. 266, sub. leg. A).

4. It is the Government's established policy that fees charged by the Government should in general be set at levels adequate to recover the full cost of providing the goods or services. To alleviate the financial burden on the public in times of economic difficulty, as an exceptional measure, the Administration froze most fees and charges in February 1998. In line with the "user pays" principle, revision of government fees and charges resumed in 2005-06. The latest costing review at 2008-09 prices shows that the fees payable under the afore-mentioned Regulations and Order are not adequate to recover the full cost of providing the services. Details of the cost computations are set out at *Annex F*.

5. To alleviate the impact of the fee increases on the users of the services concerned, we propose to increase the fees by 8% to 20% with a view to achieving full-cost recovery within one to seven years in accordance with the Government-wide general guidelines for the increases. Details of the existing and proposed fees are set out at *Annex G*.

THE REGULATIONS/ORDER

6. The Amendment Regulations and the Amendment Order revise the fees set out at *Annex G*. We propose that the new fees should come into effect on 11 July 2008.

EFFICIENCY INITIATIVES

7. The Hong Kong Police Force regularly reviews the arrangements for handling applications for various licensing activities under its purview with a view to improving efficiency and effectiveness. The Force has put the application forms for pawnbrokers licence and temporary liquor licence onto the Government website for applicants to download directly, and has been reviewing the application forms for the arms licences and permits. It has also issued comprehensive guidance notes on the application procedures for the arms licences and permits with a view to streamlining work procedures.

BASIC LAW AND HUMAN RIGHTS IMPLICATIONS

8. The proposal is in conformity with the Basic Law, including the provisions concerning human rights.

BINDING EFFECT OF THE LEGISLATION

9. The Amendment Regulations and the Amendment Order do not affect the binding effect of the respective principal Ordinances, and Regulations and Order referred to in paragraph 2 above.

FINANCIAL AND STAFFING IMPLICATIONS

10. Additional revenue to be generated from the proposed fee revision is estimated to be about \$0.5million a year. There are no staffing implications.

ECONOMIC IMPLICATIONS

11. The fee adjustments are small in dollar terms and are unlikely to have material impact on the operating costs of the businesses concerned. The overall economic impact is expected to be insignificant.

PUBLIC CONSULTATION

12. We issued a paper explaining the revision proposals for these and other fees to the Panel on Security of the Legislative Council on 8 April 2008. The Panel did not ask to discuss the proposed revision.

PUBLICITY

13. The Amendment Regulations and the Amendment Order will be published in the Gazette on 16 May 2008. A spokesman will be available to answer any enquiries on this subject.

ENQUIRIES

14. For enquiries relating to this brief, please contact Miss Trista LIM, Assistant Secretary for Security, at telephone number 2810 2068.

Security Bureau
May 2008

**DUTIABLE COMMODITIES (AMENDMENT)
REGULATION 2008**

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 6 of the Dutiable Commodities Ordinance (Cap. 109))

1. Commencement

This Regulation shall come into operation on 11 July 2008.

2. Licences and fees

Part II of the Schedule to the Dutiable Commodities Regulations (Cap. 109 sub. leg. A) is amended in item 6 by repealing "335" and substituting "385".



Secretary for Financial Services and
the Treasury

8 May 2008

Explanatory Note

This Regulation increases the fee payable for a temporary liquor licence under the Dutiable Commodities Regulations (Cap. 109 sub. leg. A).

**FIREARMS AND AMMUNITION (AMENDMENT)
REGULATION 2008**

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 52 of the Firearms and Ammunition Ordinance (Cap. 238))

1. Commencement

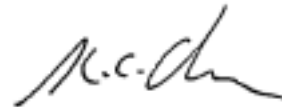
This Regulation shall come into operation on 11 July 2008.

2. Fees

The Second Schedule to the Firearms and Ammunition Regulations (Cap. 238 sub. leg. A) is amended –

- (a) in item 1, by repealing “410” and substituting “470”;
- (b) in item 2(b), by repealing “160” and substituting “190”;
- (c) in item 2(c), by repealing “1,560” and substituting “1,790”;
- (d) in item 2A, by repealing “60” and substituting “72”;
- (e) in item 3(a), by repealing “3,890” and substituting “4,470”;
- (f) in item 3(b), by repealing “4,150” and substituting “4,510”;
- (g) in item 3(c), by repealing “9,860” and substituting “10,650”;

- (h) in items 4 and 5, by repealing "60" and substituting "72".



Secretary for Financial Services and
the Treasury

8 May 2008

Explanatory Note

This Regulation increases the fees payable under the Firearms and Ammunition Regulations (Cap. 238 sub. leg. A) for –

- (a) the grant of an exemption;
- (b) the issue or renewal of a licence for possession or a dealer's licence;
- (c) the amendment of a licence or condition of a licence; and
- (d) the replacement of a licence or an exemption.

FIREARMS AND AMMUNITION (STORAGE FEES)(AMENDMENT) ORDER 2008

(Made by the Secretary for Financial Services and the Treasury under section 46(2) of the Firearms and Ammunition Ordinance (Cap. 238))

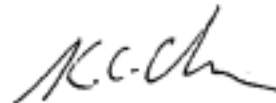
1. Commencement

This Order shall come into operation on 11 July 2008.

2. Schedule amended

The Schedule to the Firearms and Ammunition (Storage Fees) Order (Cap. 238 sub. leg. B) is amended –

- (a) in items 1, 2 and 3, by repealing "\$105" and substituting "\$120";
- (b) in item 4, by repealing "\$81" and substituting "\$93".



Secretary for Financial Services and
the Treasury

8 May 2008

Explanatory Note

This Order increases the fees payable under the Firearms and Ammunition Ordinance (Cap. 238) for –

- (a) the storage of arms;
- (b) the storage of imitation firearms;
- (c) the storage of ammunition; and

(d) the storage of arms and ammunition awaiting transshipment.

**PAWNBROKERS (AMENDMENT) REGULATION
2008**

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 26 of the Pawnbrokers Ordinance (Cap. 166))

1. Commencement

This Regulation shall come into operation on 11 July 2008.

2. Second Schedule amended

The Second Schedule to the Pawnbrokers Regulations (Cap. 166 sub. leg. A) is amended in Part I by repealing "\$3,480" and substituting "\$3,810".



Secretary for Financial Services and
the Treasury

8 May 2008

Explanatory Note

This Regulation increases the fee payable for the grant or renewal of a licence under the Pawnbrokers Regulations (Cap. 166 sub. leg. A).

**MESSAGE ESTABLISHMENTS (AMENDMENT)
REGULATION 2008**

(Made by the Secretary for Financial Services and the Treasury under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 12 of the Massage Establishments Ordinance (Cap. 266))

1. Commencement

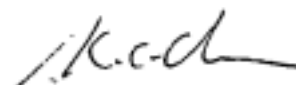
This Regulation shall come into operation on 11 July 2008.

2. Schedule 2 amended

Schedule 2 to the Massage Establishments Regulations (Cap. 266 sub. leg.

A) is amended –

- (a) in item 1, by repealing "\$6,410" and substituting "\$7,370";
- (b) in item 2, by repealing "\$2,730" and substituting "\$3,000".



Secretary for Financial Services and
the Treasury

8 May 2008

Explanatory Note

This Regulation increases the fees payable for the issue or renewal of a licence under the Massage Establishments Regulations (Cap. 266 sub. leg. A).

COST COMPUTATION**Hong Kong Police Force**

**Fee for a temporary liquor licence (per diem)
under the Dutiable Commodities Regulations (Cap. 109, sub.leg. A) (Part II of
Schedule)**

**Cost at 2008-09 Prices
(for processing one application)**

	\$
Staff Costs	598
Departmental Expenses	12
Accommodation Costs	13
Depreciation	1
Central Administrative Overhead	6
Unit Cost	630
Existing fee	335
Proposed fee	385

COST COMPUTATION

Hong Kong Police Force

Fees under the Firearms and Ammunition Regulations (Cap. 238, sub.leg. A)(Second Schedule)

Cost at 2008-09 Prices (for processing one application)

	Fee (1)	Fee (2)	Fee (3)	Fee (4)	Fee (5)	Fee (6)	Fee (7)	Fee (8)	Fee (9)
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Staff Costs	582	747	3,368	426	5,312	3,875	9,710	206	150
Departmental Expenses	13	25	62	9	98	72	175	5	4
Accommodation Costs	12	13	57	8	92	67	166	4	3
Depreciation	1	1	6	1	10	7	18	0	0
Cost of Services Provided by Other Departments	0	0	0	0	341	452	474	0	0
Central Administrative Overhead	6	7	33	4	53	38	96	2	2
Unit Cost	<u>614</u>	<u>793</u>	<u>3,526</u>	<u>448</u>	<u>5,906</u>	<u>4,511</u>	<u>10,639</u>	<u>217</u>	<u>159</u>
Existing fee	410	160	1,560	60	3,890	4,150	9,860	60	60
Proposed fee	470	190	1,790	72	4,470	4,510	10,650	72	72

Legend

- Fee (1) Fee for an exemption under section 4(3) of the Firearms and Ammunition Ordinance (per permit)
- Fee for the issue or the renewal of a licence for possession –
- Fee (2) ● granted to a security guard (per annum)
- Fee (3) ● subject to Fee (4), in any other case (per annum)
- Fee (4) Fee for the issue of a licence for possession or a dealer's licence granted for a limited purpose under section 30(1) of the Firearms and Ammunition Ordinance (per licence)
- Fee for the issue or the renewal of a dealer's licence –
- Fee (5) ● restricted to a prescribed class or description of arms or ammunition or both (if not falling within Fee (6))(per annum)
- Fee (6) ● restricted to used cartridge cases, used shot, used bullets, used missiles or parts of any of those articles (per annum)
- Fee (7) ● subject to Fee (4), in any other cases (per annum)
- Fee (8) Fee for the amendment of a licence or a condition thereof
- Fee (9) Fee for the replacement of a licence or an exemption

COST COMPUTATION

Hong Kong Police Force

Fees under the Firearms and Ammunition (Storage Fees) Order (Cap. 238, sub.leg. B)(Schedule)

Cost at 2008-09 Prices (for processing one application)

	Fee (1)	Fee (2)	Fee (3)	Fee (4)
	\$	\$	\$	\$
Staff Costs	148	148	148	148
Departmental Expenses	4	4	4	4
Accommodation Costs	3	3	3	3
Central Administrative Overheads	2	2	2	2
Unit Cost	157	157	157	157
Existing fee	105	105	105	81
Proposed fee	120	120	120	93

Legend

- Fee (1) Fee for storing arms (for each article for each month or part thereof)
- Fee (2) Fee for storing imitation firearms (for each article for each month or part thereof)
- Fee (3) Fee for storing ammunition (for each 100 rounds of ammunition or part thereof, for each month or part thereof)
- Fee (4) Fee for storage of arms and ammunition awaiting transshipment where the arms and ammunition are stored in a box, crate or similar container (for each 50 kg gross weight or part thereof, for each month or part thereof)

COST COMPUTATION**Hong Kong Police Force**

**Fee for the grant or renewal of a pawnbroker licence under
section 5 of the Pawnbrokers Ordinance (per annum)
under the Pawnbrokers Regulations (Cap. 166, sub.leg. A)(Schedule 2)**

**Cost at 2008-09 Prices
(for processing one application)**

Staff Costs	\$ 2,892
Departmental Expenses	60
Accommodation Costs	70
Depreciation	5
Cost of Services Provided by Other Departments	750
Central Administrative Overheads	29
Unit Cost	<hr/> 3,806 <hr/>
Existing fee	3,480
Proposed fee	3,810

COST COMPUTATION**Hong Kong Police Force****Fees under the Massage Establishments Regulations (Cap. 266, sub.leg. A)(Schedule2)****Cost at 2008-09 Prices
(for processing one application)**

	Fee (1)	Fee (2)
	\$	\$
Staff Costs	4,559	1,580
Departmental Expenses	93	30
Accommodation Costs	126	37
Depreciation	8	3
Cost of Services Provided by Other Departments	9,831	1,458
Central Administrative Overheads	45	16
Unit Cost	14,662	3,124
Existing fee	6,410	2,730
Proposed fee	7,370	3,000

Legend

Fee (1) Fee for the issue of a massage establishment licence

Fee (2) Fee for the renewal of a massage establishment licence (whether for a renewal period of 12 months or 24 months)

Annex G

Existing and Proposed Fees

Item	Existing Fee (\$)	Proposed Fee (\$)	Proposed percentage increase
<u>Dutiable Commodities Regulations (Cap. 109, sub.leg. A)</u>			
(Part II of Schedule)			
6. Fee for a temporary liquor licence (per diem)	335	385	15%
<u>Firearms and Ammunition Regulations (Cap. 238, sub.leg. A)</u>			
(Second Schedule)			
1. Fee for an exemption under section 4(3) of the Firearms and Ammunition Ordinance (per permit)	410	470	15%
2. Fee for the issue or the renewal of a licence for possession –			
(b) granted to a security guard (per annum)	160	190	19%
(c) subject to item 2A, in any other case (per annum)	1,560	1,790	15%
2A. Fee for the issue of a licence for possession or a dealer's licence granted for a limited purpose under section 30(1) of the Firearms and Ammunition Ordinance (per licence)	60	72	20%
3. Fee for the issue or the renewal of a dealer's licence –			
(a) restricted to a prescribed class or description of arms or ammunition or both (if not falling within paragraph (b)) (per annum)	3,890	4,470	15%
(b) restricted to used cartridge cases, used shot, used bullets, used missiles or parts of any of those articles (per annum)	4,150	4,510	9%
(c) subject to item 2A, in any other case (per annum)	9,860	10,650	8%
4. Fee for the amendment of a licence or a condition thereof	60	72	20%
5. Fee for the replacement of a licence or an exemption	60	72	20%

Item	Existing Fee (\$)	Proposed Fee (\$)	Proposed percentage increase
<u>Firearms and Ammunition (Storage Fees) Order (Cap. 238, sub.leg. B)</u> (Schedule)			
1. Fee for storing arms (for each article for each month or part thereof)	105	120	14%
2. Fee for storing imitation firearms (for each article for each month or part thereof)	105	120	14%
3. Fee for storing ammunition (for each 100 rounds of ammunition or part thereof, for each month or part thereof)	105	120	14%
4. Fee for storage of arms and ammunition awaiting transshipment where the arms and ammunition are stored in a box, crate or similar container (for each 50 kg gross weight or part thereof, for each month or part thereof)	81	93	15%
<u>Pawnbrokers Regulations (Cap. 166, sub. leg. A)</u> (Schedule 2)			
1. Fee for the grant or renewal of a pawnbroker licence under section 5 of the Pawnbrokers Ordinance (per annum)	3,480	3,810	9%
<u>Massage Establishments Regulations (Cap. 266, sub. leg. A)</u> (Schedule 2)			
1. Fee for the issue of a massage establishment licence	6,410	7,370	15%
2. Fee for the renewal of a massage establishment licence (whether for a renewal period of 12 months or 24 months)	2,730	3,000	10%