Ref: CB1/BC/4/08

Paper for the House Committee meeting on 23 October 2009

Report of the Bills Committee on Copyright (Amendment) Bill 2009

Purpose

This paper reports on the deliberations of the Bills Committee on Copyright (Amendment) Bill 2009 (the Bills Committee).

Background

2. Under section 119B (which has not yet commenced operation) of the Copyright Ordinance (Cap. 528), as added by section 33 of the Copyright (Amendment) Ordinance 2007, a person commits an offence if he, for the purpose of or in the course of any trade or business and on a regular or frequent basis, without the licence of the copyright owner, makes for distribution or distributes an infringing copy\(^1\) of a copyright work in a printed form contained in a book, a magazine, a periodical or a newspaper resulting in a financial loss to the copyright owner (the copying and distribution offence). The Secretary for Commerce and Economic Development is empowered to prescribe by regulation numeric limits within which the copying and distribution offence does not apply.

3. According to the LegCo Brief, the proposed numeric limits that have been agreed between the Administration and the stakeholders in the publishing industry after extensive consultation are as follows:-

   (a) for newspapers, magazines and periodicals (excluding specified journals), a maximum of 500 A4-size pages embodying infringing copies of copyright works within any 14-day period; and

   (b) for books and specified journals, a maximum total retail value of $6,000 within any 180-day period where the value of a book, an

\(^1\) Under section 35(2) of the Copyright Ordinance, a copy of a work is an infringing copy if its making constituted an infringement of the copyright in the work in question.
issue of a specified journal, or the whole of an article in an issue of a specified journal, would be counted towards the total retail value respectively when the user makes for distribution or distributes infringing copies of more than 25% of the number of pages of the book, or the issue of the specified journal; or makes for distribution or distributes a complete copy of the article in the specified journal (even if the article comprises not more than 25% of the pages of the issue of the specified journal).

4. When working on the draft regulation, the Administration was of the view that the above formulation of numeric limits might be inconsistent with the enabling provisions in section 119B(3)(a), (19) and (20) of the Copyright Ordinance. For instance, the enabling provisions require that the numeric limits applicable to each type of copyright work should refer to both the number and the value of infringing copies, and the enabling provisions draw no distinction between copyright work(s) contained in different types of printed work. To tackle the vires issues, the Administration proposes to amend section 119B and also to prescribe the numeric limits in a new schedule to the Copyright Ordinance.

5. The Administration also proposes to amend section 119B to prescribe the exclusion of Intranet distribution (except electronic mail and facsimile distribution) in another new schedule to the Copyright Ordinance, so as to allow more time for the relevant copyright owners to roll out suitable licensing arrangements covering Intranet distribution.

The Bill

6. The Copyright (Amendment) Bill 2009 (the Bill) seeks to amend the Copyright Ordinance to provide for the circumstances in which section 119B(1) does not apply. The main provisions of the Bill are set out as follows:

(a) Clause 3 amends section 119B of the Copyright Ordinance, as added by section 33 of the Copyright (Amendment) Ordinance 2007, to provide that section 119B(1) does not apply in the circumstances described in the new Schedules 1AA and 1AB to the Copyright Ordinance; and

(b) Clause 4 adds the new Schedules 1AA and 1AB to the Copyright Ordinance to provide for the circumstances in which section 119B(1) does not apply. In particular-

(i) section 1 of the new Schedule 1AA defines certain expressions (e.g. "infringing page" and "qualifying copy") to be used in the Schedule;
(ii) sections 2 and 3 of the new Schedule 1AA provide that section 119B(1) of the Copyright Ordinance does not apply in circumstances where the making or distribution of infringing copies in relation to magazines, periodicals (other than specified journals) and newspapers, as well as books and specified journals, does not exceed the specified extent;

(iii) section 4 of the new Schedule 1AA provides for the calculation of the total number of infringing pages made or distributed in relation to magazines, periodicals (other than specified journals) and newspapers;

(iv) section 5 of the new Schedule 1AA provides for the determination of the value of qualifying copies made or distributed in relation to books;

(v) sections 6, 7 and 8 of the new Schedule 1AA provide for the determination of the value of qualifying copies made or distributed in relation to specified journals; and

(vi) the new Schedule 1AB provides that section 119B(1) of the Copyright Ordinance does not apply to distribution of infringing copies through an intranet.

7. The Bill will come into operation on the day appointed for the commencement of section 33 of the Copyright (Amendment) Ordinance 2007.

The Bills Committee

8. At the House Committee meeting held on 8 May 2009, Members agreed to form a Bills Committee to study the Bill. Dr Hon Samson TAM Wai-ho was elected Chairman of the Bills Committee. The membership list of the Bills Committee is in Appendix I. The Bills Committee has held six meetings with the Administration and invited views from the stakeholders in the industry including copyright owners associations and trade associations. A list of organizations which have given views to the Bills Committee is in Appendix II.

Deliberations of the Bills Committee

9. Members of the Bills Committee in general support the policy intent of the Bill to set out specifically that certain levels of unauthorized use of copyright works do not attract criminal liability under section 119B of the Copyright Ordinance. The Bills Committee is aware that the copyright owners generally support the legislative proposal and have urged for early enactment, whilst some copyright
users consider the numeric limits complicated and difficult to enforce. In the course of deliberation, members have raised concerns about the definition of "infringing page", the operation of the numeric limits in relation to the making or distribution of infringing copies of copyright works contained in books and specified journals, exchange rate, applicability and enforceability of the copying and distribution offence, penalty level and publicity.

Operation of the numeric limits

Magazines, periodicals (other than specified journals) and newspapers

10. The Bills Committee notes that under section 2(1) and (2) of the new Schedule 1AA, the copying and distribution offence does not apply to the making for distribution or distribution by a person, within any period of 14 days, of infringing copies of one or more than one copyright work in a printed form that is contained in magazines, periodicals (other than specified journals) or newspapers if the total number of infringing pages made or distributed by the person within that period does not exceed 500. Section 4 of the new Schedule 1AA sets out the method by which the total number of infringing pages is calculated, as summarized below:

(a) where the infringing pages are of A4 size, the number of such infringing pages will count towards the numeric limit;

(b) if any of the infringing pages are smaller or larger than A4 size, the number of those infringing pages shall be adjusted downward or upward, as the case may be, in proportion to the difference in size between those infringing pages and an infringing page of A4 size; and

(c) if any of the infringing pages embody an image of an infringing copy that has been reduced or enlarged in size, the number of those infringing pages shall be adjusted upward or downward, as the case may be, in proportion to the difference in size between that image and the original image of the copyright work.

For infringing pages made or distributed in electronic form, pursuant to section 4(4) of the new Schedule 1AA, the images of infringing copies so made or distributed shall be printed on paper of A4 size and the number of pages so printed will be counted towards the numeric limit in the same way as described in (c) above.

Definition of "infringing page"

11. The Bills Committee notes that under section 1(1) of the new Schedule 1AA, "infringing page" is defined as a side of a page that embodies, whether in whole or in part, an infringing copy of any copyright work in a printed form that is
contained in a magazine, periodical (other than a specified journal) or newspaper. Dr Hon Margaret NG has questioned whether the choice of words "a side of a page" is correct. She opined that it is unnecessary to elaborate on the word "page", as it will naturally be interpreted as one side of a leaf/sheet of paper. Moreover, such an expression may cause confusion to the public, as it may be read as meaning the upper/lower/left/right side of a page.

12. According to the Administration, "a side of a page" is adopted in the proposed definition because the word "page" may refer to one side or both sides of a sheet of paper. To avoid any unnecessary ambiguity, the Administration sees merit in clarifying its policy intent (that infringing page means one side of a page that contains infringing copy), thus putting the issue beyond doubt. The use of a "side" in relation to a "page" is grammatically correct and can be found in various literatures both locally and overseas. Having considered Dr Hon Margaret NG's comments and noting that the way the term "infringing page" is used or referred to in other parts of the Bill should have already made it clear that “infringing page” should be counted on a single-sided basis, the Administration will move a Committee Stage amendment (CSA) to delete the words "a side of" immediately preceding the words "a page" in the definition of "infringing page".

Books and specified journals

13. The Bills Committee notes that under section 3(1) and (2) of the new Schedule 1AA, the copying and distribution offence does not apply to the making for distribution or distribution by a person, within any period of 180 days, of infringing copies of one or more than one copyright work in a printed form that is contained in books or specified journals if the total value of qualifying copies made or distributed by the person within that period does not exceed $6,000. Section 5 of the new Schedule 1AA sets out the method by which the total value of qualifying copies of books is determined, as summarized below:

(a) a qualifying copy is taken to have the same value of as non-infringing copy of a book containing the copyright work that is the subject of the qualifying copy (known as the "comparable copy") (by virtue of subsection(2));

(b) the value of a comparable copy is taken to be (by virtue of subsection(3));

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2 A "qualifying copy", as defined under section 1(1) of the new Schedule 1AA, generally means a set of pages that corresponds to more than 25% of the printed pages of the relevant book or specified journal; or means a set of pages that embodies a whole article in the case of a specified journal.

3 The method for determining the total value of qualifying copies of specified journals is generally the same.

4 Section 5(2) of the new Schedule 1AA stipulates that a qualifying copy is taken to have the same value as a comparable copy which is not an infringing copy and contains the copyright work that is the subject of the qualifying copy. The term “a comparable copy” is used to take into account some cases in which the source of the copying (source book) may be an infringing copy/photocopy of a copyright work.
(i) its marked retail price\(^5\),

(ii) if the comparable copy has no marked retail price, its recommended retail price\(^6\); or

(iii) if the comparable copy has neither a marked nor a recommended retail price, its market value insofar as it is readily ascertainable.

14. The Bills Committee also notes that if the comparable copy of a book has two or more than two marked retail prices denominated in different currencies, the currency by reference to which the value of the comparable copy is to be calculated shall be determined in accordance with the following order:

(a) firstly, Hong Kong dollar;

(b) secondly, United States dollar; and

(c) thirdly, the currency in which the first marked retail price as printed in or on the comparable copy is denominated.

According to the Administration, in the vast majority of cases, the books that are commonly used by business end-users carry marked retail prices and/or recommended retail prices. Insofar as the recommended retail price for books is concerned, it would have been made available on major book-selling websites or notices issued by the publisher concerned. In some rare cases, a book without a marked retail price may also have no recommended retail price (for instance, where the relevant publisher has ceased operation). In such cases, the market value of the book could be used insofar as it is readily ascertainable (e.g. from the websites of the distributors if applicable).

15. Hon Audrey EU Yuet-mee has expressed concern whether the making for distribution or distribution of infringing copies not more than 25% (say 24%) of a book and specified journal in large quantities will constitute an offence under section 119B of the Copyright Ordinance. The Administration has explained that whilst infringing copies comprising not more than 25% of a book or an issue of a specified journal (except the infringing copies containing a complete article in an issue of a specified journal) will not be qualifying copies and therefore will not be counted towards the numeric limit for the purpose of determining criminal liability under section 119B, distribution of such infringing copies in large quantities to

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5 “Marked retail price”, as defined under section 1(1) of the new Schedule 1AA in relation to a copy of a book or a copy of an issue of a specified journal, means the retail price as printed in or on the book or the specified journal by the publisher.

6 “Recommended retail price”, as defined under section 1(1) of the new Schedule 1AA in relation to a copy of a book or an article in an issue of a specified journal, means the retail price as recommended by the publisher in question before any discount is given to traders or consumers.
such an extent as to affect prejudicially the copyright owner may be caught under the existing criminal provisions of section 118 of the Copyright Ordinance.

16. The Bills Committee notes that only the United States (US) and Taiwan have adopted or once adopted monetary numeric limits in their copyright laws and the use of such numeric limits in Taiwan was thereafter repealed in September 2004. Hon Paul TSE Wai-chun has queried whether the legislative approach proposed by the Administration can best serve the purpose. The Administration has responded that unlike the US and Taiwan cases where there is no detailed provision governing how the monetary numeric limits will operate in practice, the Bill has provided clear and detailed provisions to govern how the proposed numeric limits are to operate.

17. The Law Society has expressed the view that when determining whether there is copyright infringement, one should not only make reference to the quantity but also to the quality of what have been copied. Some members including Hon LEUNG Yiu-chung share this view. The Administration has advised that "infringing copy" within the meaning of section 35 of the Copyright Ordinance remains to be a key element of the offence, and section 119B(1) (which prescribes the copying and distribution offence) does not depart from the fundamental principle underlying copyright infringement. Section 22(3) makes it clear that the doing of any act restricted by copyright, including an act of copying, refers to such act done in relation to the whole or any substantial part of a copyright work. The word "substantial" encompasses both the quality and the quantity of what have been copied in relation to a copyright work. Similar to other offences involving distribution or possession of infringing copies, the copying and distribution offence will not apply unless infringing copies have been made for distribution or distributed in the circumstances prescribed. It will eventually be for the court to decide, based on all evidence available, whether there exists an "infringing copy" within the meaning of section 35.

Exchange rate

18. The Bills Committee has expressed concern about the difficulty in determining whether the numeric limit has been exceeded in a case involving books or specified journals with prices denominated in foreign currencies due to currency fluctuation. The Administration has advised that since the infringing acts constituting the copying and distribution offence might take place over a period of time rather than being one-off in nature, the prosecution will consider all the evidence available, including the timing during which the infringing acts were committed and the exchange rates prevailing during the same material period. It is anticipated that the enforcement agency, in most cases, will only be able to determine by circumstantial evidence the period of time in which the offence was committed rather than identifying the exact day and timing during which a particular book or specified journal was copied, or an infringing copy was distributed. Under such circumstances, the exchange rate that was most
favourable to the defendant will likely be used so as to give the benefit of doubt to the defendant.

19. The Bills Committee has pointed out that there is no provision in the Copyright Ordinance or the Bill for determining the exchange rate of a foreign currency that will be used in calculating the total value in Hong Kong-dollar equivalent of qualifying copies of a book/specified journal denominated in foreign currencies. In view of currency fluctuation, the Bills Committee considers that the method for determining the exchange rate of a foreign currency should be specified in the Bill to provide greater certainty.

20. The Administration has explained that any standardized method (which is likely to refer to a prescribed and time-specific exchange rate), if prescribed at all, may not be able to accommodate the circumstances of individual cases. Nevertheless, the Administration considers that prescribing a reference exchange rate published by a defined organization in the Bill will give a greater degree of certainty to both the business end-users and the enforcement agency. To address the Bills Committee's concern, the Administration will move CSAs to prescribe a method for converting a foreign currency into Hong Kong dollars by making reference to (a) the opening indicative counter exchange selling rate published by The Hong Kong Association of Banks, or (b) where no such rate is published, the representative exchange rate published by the International Monetary Fund in respect of that foreign currency.

Enforceability of the copying and distribution offence

21. The Bills Committee notes that the objective of the new criminal offence is to deter business end-users from making infringing copies of copyright works for distribution or distributing infringing copies in excess of the numeric limits on a regular or frequent basis, and to impose criminal liability against blatant infringing acts committed by business end-users. Some members including Dr Hon Margaret NG have raised concern whether the defendant's knowledge of the extent of his making or distribution of infringing copies at the material time in excess of the prescribed numeric limits is an element of the copying and distribution offence.

22. The Administration has advised that it is trite law that the prosecution bears the burden to prove every element of the copying and distribution offence beyond reasonable doubt. This includes proof of the defendant’s *mens rea* unless the copying and distribution offence is regarded as a strict liability offence. As a matter of construction, section 119B(3) of the Copyright Ordinance to be amended by clause 3(1) of the Bill together with sections 2 and 3 of the new Schedule 1AA to the Copyright Ordinance are considered as part of the elements of the copying and distribution offence rather than a defence. Accordingly, the burden is on the prosecution to prove that the number or value of infringing copies made or distributed has exceeded the relevant numeric limit(s). In addition, the copying and distribution offence is not construed as a strict liability offence. In the
circumstances, even though the provisions do not expressly require proof of *mens rea*, the prosecution has to prove that the defendant has intended to do the act that constitutes the copying and distribution offence under section 119B. In other words, insofar as the defendant’s knowledge in relation to the numeric limits is concerned, the prosecution has to prove, amongst others, the defendant’s knowledge that the extent of his making or distribution of such infringing copies at the material time had exceeded the relevant numeric limit(s). In this regard, ignorance of the law is no defence, and similar to other criminal offences that require proof of intention/knowledge on the defendant's part, the surrounding circumstances of the copying and distribution offence would provide evidential basis for inferring/establishing the defendant’s requisite knowledge about the numeric limits. It would be eventually for the court to decide, based on all evidence available, whether the defendant had the requisite knowledge when committing the acts charged by the prosecution.

23. Some members including Hon Albert HO Chun-yan have expressed concern about the difficulty in proving different elements of the copying and distribution offence given the high standard of proof (beyond reasonable doubt) required under criminal law. They suggest that while the copying and distribution of infringing copies of copyright works for the purpose of business will attract criminal liability, infringing acts or activities incidental to or marginally related to business can be dealt with through civil proceedings in the form of a fine.

24. According to the Administration, the Copyright Ordinance was amended in 2000 making possession of an infringing copy of any type of copyright works for use in business a criminal offence. In view of the widespread community concern that the new criminal provision was too wide and might hamper dissemination of information, the Copyright (Suspension of Amendments) Ordinance 2001 was enacted in June 2001 to suspend the offence except where it applied to computer programs, movies, television dramas and musical recordings. During subsequent consultations in 2003 and 2005, the publishing industry requested that business end-user criminal liability should be reinstated for printed works to better safeguard the interests of copyright owners. After extensive consultation with relevant stakeholders, the Administration proposed in 2006 that a new business end-user copying and distribution offence, which was limited to infringing acts committed on a regular or frequent basis in respect of printed works, should be introduced to strengthen the protection of copyright works in printed form. The copying and distribution offence was proposed to be qualified by a set of numeric limits within which the offence would not apply.

25. The Administration stresses that copying a copyright work or distributing its infringing copies to users without the authorization of the owner and without any lawful excuse can amount to an infringement of copyright that entails civil liability. Business end-users are encouraged to refrain from such activity or conduct, regardless of whether there is a potential criminal liability. They are also encouraged to respect intellectual property rights and obtain authorization from
copyright owners under relevant licensing schemes. While enforcement of the copying and distribution offence will not be free from difficulties, there is a fair chance of successful prosecution depending on the evidence available in the circumstances. Nonetheless, enforcement action will be targeted mainly at significant infringement committed by business-end users on a regular or frequent basis.

26. Hon Paul TSE Wai-chun has sought clarification on the meaning of "on a regular or frequent basis" as prescribed under section 119B(1) of the Copyright Ordinance. As infringement will attract criminal liability, he considers that the legislation should be sufficiently clear to provide greater certainty for the protection of the public. The Administration has advised that whether infringing activities form a pattern of behaviour that fall within the meaning of "regular or frequent" will have to be considered on a case by case basis depending on individual circumstances, and will eventually be ruled by the court in legal proceedings. Any attempt to define the words "regular" or "frequent" will make the bill unduly complicated and may create more room for loopholes.

27. The Chairman and Hon CHAN Kam-lam consider that in line with the international trend, it is important to protect intellectual property rights which are conducive to the development of creative industries and information technology in Hong Kong. The copying and distribution offence, as contained in the Copyright (Amendment) Ordinance 2007, is qualified by a set of numeric limits drawn up after extensive discussion with the relevant stakeholders over the past two years having regard to the need to maintain a reasonable balance between the interests of copyright owners and users. Both support putting in place a proper legislative framework providing criminal sanctions for copyright infringing acts.

**Applicability of the copying and distribution offence**

28. The Bills Committee notes that section 119B of the Copyright Ordinance will not apply to non-profit-making educational establishments and students making copies for self-use. Offence in relation to possession of infringing copies for the purpose of or in the course of a copying service business is governed by section 119A. Furthermore, photocopying shops may commit an offence under section 118(1)(a), which criminalizes making for sale or hire an infringing copy of a copyright work without the licence of the copyright owner.

29. Some members including Hon Cyd HO Sau-lan consider that institutions running re-training for re-employment programmes, non-profit making social service organizations and non-governmental organizations should be covered by the exemption provisions. The Administration has advised that the business end-user copying and distribution offence does not apply to an educational establishment that satisfies the descriptions under section 119B(4) (namely, an educational establishment specified in section 1 of Schedule 1 to the Copyright Ordinance, exempt from tax under section 88 of the Inland Revenue Ordinance.
Statutory defence

30. Hon Andrew LEUNG Kwan-yuen has raised concern about the criminal liability of directors/partners of enterprises for copyright infringing acts of their employees. The Administration has advised that section 119B(12) of the Copyright Ordinance provides that a director or partner charged with the copying and distribution offence under section 119B(1) by virtue of section 119B(11) can adduce evidence to raise the issue that he did not authorize the relevant act of copying or distribution to be done, and section 119B(13) provides that the defendant will be taken to have adduced sufficient evidence if the court is satisfied that he, for instance, has set aside financial resources and directed the use of the resources for the acquisition of appropriate licences. Similar to the situation of the "possession offence", directors/partners will not be held criminally liable for the infringing acts of their staff if those acts were not authorized.

31. The Bills Committee notes that under section 119B(14), it is a defence if the person charged with the offence can prove that he (a) has taken adequate and reasonable steps to obtain a licence, but failed to receive a timely response; (b) has made reasonable efforts but failed to obtain commercially available copies and the copyright owner has refused to grant him a licence on reasonable commercial terms; (c) did not know and had no reason to believe that the copies made or distributed are infringing copies; or (d) cannot, after making reasonable enquiries, ascertain the identity and contact details of the copyright owner in question. Statutory defence is also available under section 119B(15) to an employee to prove that he did the act in the course of his employment, and in accordance with the instruction given to him by or on behalf of his employer in the course of his employment.

Penalty level

32. The Bills Committee notes that a person who commits a copying and distribution offence under section 119B(1) of the Copyright Ordinance is liable on conviction on indictment to a fine at level 5 (i.e. HK$50,000) in respect of each infringing copy and to imprisonment for 4 years. Some members including Hon Ronny TONG Ka-wah have raised concern whether the penalty level is too high for inadvertent breaches by members of the public, particularly where the numeric limits are relatively complicated and not easy to be understood.

33. The Administration has advised that the penalty provisions under section 119B(17) reflect the serious view that has been taken by the Government and society at large about the need to rigorously combat copyright piracy. The penalty level is the maximum penalty that may be imposed against an offender and is in line with that of the majority of offences under the Copyright Ordinance.
Publicity

34. The Bills Committee considers that the new provision should be widely publicized so that the risk of inadvertent breaches by members of the public will be minimized. The Administration has assured members that after passage of the Bill, the Administration will roll out suitable publicity and public education programmes about the new criminal offence and the related directors'/partners' liability for an appropriate period (about four to six months) before bringing the offence into operation.

Committee Stage amendments

35. The CSAs to be moved by the Administration are in Appendix III. The Bills Committee raises no objection to these CSAs and will not propose to move any CSA to the Bill in its name.

Recommendation

36. The Bills Committee supports the Administration's proposal to resume the Second Reading debate on the Bill on 18 November 2009.

Advice sought

37. Members are requested to note the deliberations and recommendation of the Bills Committee.

Council Business Division 1
Legislative Council Secretariat
22 October 2009
Appendix I

Bills Committee on Copyright (Amendment) Bill 2009

Membership List

Chairman
Dr Hon Samson TAM Wai-ho, JP

Members
Hon Albert HO Chun-yan
Dr Hon Margaret NG
Hon CHAN Kam-lam, SBS, JP
Hon LEUNG Yiu-chung
Hon Miriam LAU Kin-yee, GBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon Andrew LEUNG Kwan-yuen, SBS, JP
Hon WONG Ting-kwong, BBS, JP
Hon Ronny TONG Ka-wah, SC
Hon Cyd HO Sau-lan
Hon Paul TSE Wai-chun

(Total: 13 members)

Clerk
Ms YUE Tin-po

Legal Adviser
Mr Timothy TSO
Appendix II

Bills Committee on Copyright (Amendment) Bill 2009

List of organizations which have given views to the Bills Committee

1. The Hong Kong Copyright Licensing Services Limited
2. Hong Kong Economic Times
3. Sing Tao News Corporation Limited
4. The Hong Kong Copyright Licensing Association
5. New Media Group Holdings Limited
6. Hong Kong Publishing Federation
7. Anglo-Chinese Textbook Publishers Organisation and Hong Kong Educational Publishers Association
8. Hong Kong and International Publishers' Alliance
9. Hong Kong Reprographic Rights Licensing Society
10. Federation of Hong Kong Industries*
11. The Chinese Manufacturers' Association of Hong Kong*
12. The Law Society of Hong Kong*
13. Hong Kong Bar Association*

* submitted written views only
Amendments to be moved by the Secretary for Commerce and Economic Development

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<th>Clause</th>
<th>Amendment Proposed</th>
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<tr>
<td>4</td>
<td>In the proposed Schedule 1AA, in section 1(1), in the English text, in the definition of “infringing page”, by deleting “a side of”.</td>
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<tr>
<td>4</td>
<td>In the proposed Schedule 1AA, in Part 1, by adding - &quot;1A. Currency conversion For the purposes of converting into Hong Kong dollars a marked retail price, marked subscription price, recommended retail price, recommended subscription price or market value that is denominated in a currency other than the Hong Kong dollar,</td>
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reference is to be made to -

(a) the opening indicative counter exchange selling rate published by The Hong Kong Association of Banks in respect of that other currency; or

(b) if no such rate is published, the representative exchange rate published by the International Monetary Fund in respect of that other currency.”.

In the proposed Schedule 1AA, in section 5, by adding -

“(7) If the marked retail price, recommended retail price or market value referred to in subsection (3) or (4) is
denominated in a currency other than the Hong Kong dollar, section 1A of this Schedule applies to the conversion of that price or value into Hong Kong dollars.”.

4 In the proposed Schedule 1AA, in section 7, by adding –

“(6) If the marked retail price, marked subscription price or recommended subscription price referred to in subsection (3) is denominated in a currency other than the Hong Kong dollar, section 1A of this Schedule applies to the conversion of that price into Hong Kong dollars.”.

4 In the proposed Schedule 1AA, in section 8, by adding –

“(4) If the recommended retail price referred to in subsection (3) is denominated
in a currency other than the Hong Kong dollar, section 1A of this Schedule applies to the conversion of that price into Hong Kong dollars."