

**立法會**  
**Legislative Council**

LC Paper No. CB(1)441/11-12  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/6/10

**Bills Committee on Motor Vehicles (First Registration Tax)**  
**(Amendment) Bill 2011**

**Minutes of the fourth meeting held on**  
**Tuesday, 24 May 2011, at 8:30 am**  
**in Conference Room B of the Legislative Council Building**

**Members present** : Hon WONG Ting-kwong, BBS, JP (Chairman)  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon CHEUNG Hok-ming, GBS, JP  
Hon KAM Nai-wai, MH  
Hon CHAN Hak-kan  
Hon CHAN Kin-por, JP  
Hon WONG Sing-chi  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Hon Tanya CHAN

**Members absent** : Hon Miriam LAU Kin-ye, GBS, JP  
Hon Andrew LEUNG Kwan-yuen, GBS, JP  
Dr Hon LEUNG Ka-lau  
Hon Albert CHAN Wai-yip

**Public Officers attending** : **Agenda item I**  
Mr YAU Shing-mu, JP  
Under Secretary for Transport and Housing

Miss Petty LAI  
Principal Assistant Secretary for Transport and  
Housing (Transport)

Mr Anthony LOO, JP  
Assistant Commissioner for Transport (Planning)  
Transport Department

Ms Cindy LAW  
Assistant Commissioner for Transport  
(Administration & Licensing)  
Transport Department

Mr CHENG Kim-fung  
Senior Assistant Law Draftsman  
Department of Justice

**Clerk in attendance :** Ms Joanne MAK  
Chief Council Secretary (1)2

**Staff in attendance :** Ms Clara TAM  
Assistant Legal Adviser 9

Ms Anki NG  
Council Secretary (SC)1

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Action

**I Meeting with the Administration**

- (LC Paper No. CB(1)2172/10-11(01) - Administration's response to  
issues raised at the meetings  
on 6 May and 12 May 2011
- LC Paper No. CB(1)2251/10-11(01) - Information paper provided  
by the Administration)

Clause-by-clause examination of the Bill

- (LC Paper No. CB(3)655/10-11 - The Bill  
No File Reference - The Legislative Council  
Brief issued by Transport  
Branch of the Transport and  
Housing Bureau

Action

LC Paper No. CB(1)2041/10-11(03) - Marked-up copy of the provisions of the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330) to be amended by the Bill (prepared by the Legal Service Division))

Other relevant papers

(LC Paper No. CB(1)2041/10-11(01) - Administration's response to issues raised at the meeting on 21 April 2011

LC Paper No. CB(1)1897/10-11 - Report of the Subcommittee on Public Revenue Protection (Motor Vehicles First Registration Tax) Order 2011)

The Bills Committee deliberated (index of proceedings attached at **Annex**).

Admin 2. Bills Committee members requested the Administration to provide the following information and written response -

- (a) calculation on vehicle journey speed and the weightings of individual surveyed routes in calculating the respective regional vehicle journey speeds;
- (b) how the proposed adjustments to the Bill were to be implemented; and
- (c) examples of implementation of proposed adjustments by the Administration in the past by applying sections 5(5) and 6(3) of the Motor Vehicles (First Registration Tax) Ordinance (Cap.330).

3. The Bills Committee completed scrutiny of the Bill.

Legislative timetable

Clerk 4. The Bills Committee agreed to report its deliberations to the House Committee on 27 May 2011. Members noted the deadline for giving notice of moving Committee Stage Amendments was 4 June 2011 and supported the resumption of the Second Reading debate on the Bill at the Council meeting on

Action

15 June 2011.

**II Any other business**

5. There being no other business, the meeting ended at 10:05 am.

Council Business Division 1  
Legislative Council Secretariat  
30 November 2011

**Bills Committee on Motor Vehicles (First Registration Tax)  
(Amendment) Bill 2011**

**Proceedings of the fourth meeting  
on Tuesday, 24 May 2011, at 8:30 am  
in Conference Room B of the Legislative Council Building**

| Time marker  | Speaker   | Subject(s)   | Action required |
|--|---|--|-----------------|
| <b>Agenda item I – Meeting with the Administration</b> |   |  |                 |
| 000032 –<br>001153                                     | Chairman<br>Administration  | Opening Remarks.<br>Administration’s briefing on the paper introducing the proposed adjustments to the Bill (LC Paper No. CB(1)2251/10-11(01)).  |                 |
| 001154 –<br>001836                                     | Chairman<br>Mr KAM Nai-wai<br>Administration<br>Assistant Legal Adviser 9<br>(ALA9) | <p>Mr KAM Nai-wai's views and concerns -</p> <p>(a) the effectiveness of the proposed increase in first registration tax (FRT) to ease traffic congestion;</p> <p>(b) not objected to the proposed adjustments to grant further tax concessions to owners of environment-friendly petrol private cars and exemptions to owners who had ordered but not registered their private cars before the Public Revenue Protection (Motor Vehicles First Registration Tax) Order 2011 (the Order) came into effect;</p> <p>(c) whether the proposed adjustments to the Bill would be implemented if the Bill was not passed; and</p> <p>(d) whether the proposed adjustments could be implemented by administrative means.</p> <p>The Administration's response that if the Bill was not passed, excess FRT paid would be refunded; while the proposed adjustments of tax concessions to owners of environment-friendly petrol private cars would not be implemented.</p> <p>Request for ALA9 to advise on the FRT refund if the Bill was not passed and whether the proposed adjustments could be implemented by administrative means. ALA9 advised that if the Bill was not passed, excess FRT paid by vehicle owners since the Order came into effect would be repaid in accordance with section 6 of the Public</p> |                 |

| Time marker        | Speaker  | Subject(s)   | Action required |
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|                    |  | Revenue Protection Ordinance (Cap.120).  |                 |
| 001837 –<br>002514 | Chairman<br>Mr WONG Sing-chi<br>Administration | <p>Mr WONG Sing-chi's concerns and views –</p> <p>(a) the effectiveness of the proposed increase in FRT to ease traffic congestion and to curb the growth of private cars;</p> <p>(b) if the Bill was not passed, it was not necessary to make adjustments to the Bill to grant concessions or exemptions to vehicle owners;</p> <p>(c) the Administration's proposal to enhance tax concession of 15% for newly registered environment-friendly petrol private cars would merely offset the proposed increase in FRT of about 15%;</p> <p>(d) unless buyers of newly registered private cars had their old cars scrapped, the tax concessions for environment-friendly petrol private cars would not help to curb the growth of private cars and ease traffic congestion; and</p> <p>(e) whether the proposed FRT concessions for environment-friendly petrol private cars would be implemented if the Bill was not passed..</p> <p>The Administration's response that it had all along pursued a multi-pronged approach to improve traffic conditions, which included actively pursuing the policy of having the public transport system with railway as the backbone and rationalisation of the bus services. The actual effect of the Administration's proposal to enhance tax concession of 15% for newly registered environment-friendly petrol private cars was to offer an enhanced conditional concession to encourage buyers to opt for an environment-friendly petrol private car when buying new cars or replacing old cars.</p> |                 |
| 002515 –<br>003157 | Chairman<br>Mr CHAN Hak-kan<br>Administration  | <p>Mr CHAN Hak-kan's concerns and views –</p> <p>(a) in support of the proposed adjustments to grant further tax concessions to owners of</p>  |                 |

| Time marker     | Speaker  | Subject(s)   | Action required |
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|                 |  | <p>environment-friendly petrol private cars and exemptions to owners who had ordered but not registered their private cars before the Order came into effect;</p> <p>(b) the "one-for-one" proposal would help to curb the growth of private cars and ease traffic congestion;</p> <p>(c) whether the proposed adjustments would be considered for future increase in FRT; and</p> <p>(d) request for examples of paying less FRT under the proposed adjustment for buying new environment-friendly petrol private cars.</p> <p>The Administration's response that the proposed adjustment to increase the concession for environment-friendly petrol private cars would achieve the same outcome as that intended by the "one-for-one" proposal, as those in need of car replacement were provided with a favourable option coherent with the principle of environment protection and the Administration's policy intent of containing car growth. The proposed adjustments might be considered for future increase in FRT. An example of paying less FRT under the proposed adjustment for buying new environment-friendly petrol private cars would be, say, a car priced about HK\$300,000 with a FRT of about \$80,000 under the proposed increase, but with the proposed adjustment, the FRT to be paid would be less than \$70,000.</p> |                 |
| 003158 – 004635 | Chairman<br>Ms Audrey EU<br>Administration<br>ALA9 | <p>Ms Audrey EU's concerns and views –</p> <p>(a) in support of the proposed adjustment to grant exemptions to owners who had ordered but not registered their private cars before the Order came into effect;</p> <p>(b) the proposed adjustment to grant further concession to environment-friendly petrol private cars would merely offset the proposed increase in FRT of about 15%. High-end environment-friendly petrol</p>  |                 |

| Time marker | Speaker | Subject(s)   | Action required |
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|             |         | <p>private cars would still be subject to a higher FRT when compared to the situation before the new FRT rates came into effect under the enhanced concession;</p> <p>(c) request to exempt buyers from paying new FRT rates under the "one-for-one" proposal;</p> <p>(d) how the proposed adjustments could be implemented by administrative means without involving any legislative amendments if the Bill was passed;</p> <p>(e) what information the Administration had relied on to support that traffic congestion was attributable to growth in private cars, with reference to LC Paper No. CB(1)2172/10-11(01); and</p> <p>(f) the road usage of private cars referred to in paragraph 2(v) of LC Paper No. CB(1)2172/10-11(01) and whether there was a more recent study conducted by TD referred to in paragraph 2(vi) of the paper.</p> <p>The Administration's response that they proposed to exercise the power to remit and refund FRT payable vested in the Chief Executive by sections 5(5) and 6(3) of the Motor Vehicles (First Registration Tax) Ordinance (Cap.330) to implement administratively the proposed adjustments. Paragraphs 2(i), (iii), (v) and (vi) of LC Paper No. CB(1)2172/10-11(01) was information to support that traffic congestion was largely attributable to growth in private cars. Under paragraph 2(v) of LC Paper No. CB(1)2172/10-11(01), the VKM figure of private cars accounted for about 40% of the VKM of all vehicles every year. The study as referred to in paragraph 2(vi) of the paper was conducted around once every 10 years, and the 2002 study was the most recent one.</p> <p>On whether the proposed adjustments could be implemented by administrative means, ALA9 advised that the Administration might consider adding a transitional provision to the Bill to expressly provide for the proposed</p> |                 |



| Time marker     | Speaker  | Subject(s)   | Action required |
|-----------------|--|--|-----------------|
|                 |  | <p>exemption to owners who had ordered but not registered their private cars before the Order came into effect. The Administration's response that since the mechanism for the proposed exemption was in place as provided under sections 5(5) and 6(3) of Cap.330, it did not see the need to introduce legislative amendments for the same purpose.</p>  |                 |
| 004636 – 005054 | <p>Chairman<br/>Mr CHAN Kin-por<br/>Administration</p> | <p>Mr CHAN Kin-por's concerns and views –</p> <p>(a) in support of the proposed adjustments to grant further tax concessions to owners of environment-friendly petrol private cars and exemptions to owners who had ordered but not registered their private cars before the Order came into effect; and</p> <p>(b) the Administration should consider bus route rationalisation and improvement of bus services.</p> <p>The Administration's response that Transport Department had kept a close watch on the bus services provided having regard to resources and environmental concern.</p>   |                 |
| 005055 – 005622 | <p>Chairman<br/>Mr IP Kwok-him<br/>Administration</p>  | <p>Mr IP Kwok-him's concerns and views –</p> <p>(a) in support of the proposed adjustments to grant further tax concessions to owners of environment-friendly petrol private cars and exemptions to owners who had ordered but not registered their private cars before the Order came into effect;</p> <p>(b) how the proposed adjustment to enhance concessions to owners of environment-friendly petrol private cars would address the "one-for-one" proposal;</p> <p>(c) how to ensure that owners with a genuine need for use of private cars would not be affected by the increase in FRT; and</p> <p>(d) whether the proposed adjustments could be implemented by administrative means.</p> <p>The Administration's response that the proposed adjustment to increase the</p> |                 |

| Time marker     | Speaker   | Subject(s)  | Action required  |
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|                 |   | <p>concession for environment-friendly petrol private cars would provide those who in need of car replacement with a favourable option coherent with the principle of environment protection and the Administration's policy intent of containing car growth. The proposed adjustments could be implemented by administrative means as the mechanism for the proposed adjustments was in place as provided under sections 5(5) and 6(3) of Cap.330.</p>   |  |
| 005623 – 010151 | <p>Chairman<br/>Miss Tanya CHAN<br/>Mr KAM Nai-wai<br/>Administration</p> | <p>Miss Tanya CHAN's concern on the mechanism for implementing the proposed adjustments.</p> <p>The Administration's response that it would not be necessary to introduce legislative amendments since the mechanism for the proposed exemption was in place as provided under sections 5(5) and 6(3) of Cap.330.</p> <p>Discussion on unauthorized use of vehicles carrying trade licences.</p>  |  |
| 010552 – 011039 | <p>Chairman<br/>Mrs Sophie LEUNG<br/>Administration</p>                   | <p>Mrs Sophie LEUNG's concerns and views –</p> <p>(a) the Administration should consider rationalisation and improvement of bus services to address traffic congestion problem; and</p> <p>(b) request for the Administration to provide examples of implementation of proposed adjustments by the Administration in the past by applying sections 5(5) and 6(3) of Cap.330.</p> <p>The Administration's response that it had co-ordinated with the bus companies every year with a view to improving bus services. The Administration undertook to provide examples of implementation of proposed adjustments in the past by applying sections 5(5) and 6(3) of Cap.330.</p> | <p>Admin to provide information (para. 2 of the minutes)</p> |
| 011040 – 012030 | <p>Chairman<br/>Mr KAM Nai-wai<br/>Administration</p>                     | <p>Mr KAM Nai-wai's views and concerns –</p> <p>(a) referring to Table 1 in Annex III of LC Paper No. CB(1)2172/10-11(01) on</p>  |  |

| Time marker     | Speaker                                    | Subject(s)  | Action required                                       |
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|                 |  | <p>statistics on vehicle journey time surveys, there were increases in average vehicle journey speed on some major roads in Hong Kong when comparing the statistics in 2005 and 2010. There was no significant decrease in vehicle journey speed from 2005 to 2010 to support that traffic congestion was caused by the growth in private cars fleets;</p> <p>(b) the effectiveness of the proposed increase in FRT to ease traffic congestion and to curb the growth of private cars; and</p> <p>(c) to pay less FRT, the number of imported second-hand private cars had significantly increased from about 4,300 in 2009 to about 9,000 in 2010 (Annex of LC Paper No. CB(1)1991/10-11(01)).</p> <p>The Administration's response that the objective for conducting the vehicle journey time surveys was to look at the traffic congestion trend in various districts rather than a specific road, therefore a total of 60 routes were used to find out the regional average vehicle journey speeds. Table 2 in Annex III of LC Paper No. CB(1)2172/10-11(01) had shown the regional vehicle journey speeds in Hong Kong from 2005 to 2010. There was no direct linkage between the increase in number of imported second-hand private cars and the increase of FRT, as these cars would need to pay FRT when they were first imported into Hong Kong.</p> |   |
| 012031 – 012205 | Chairman<br>Ms Audrey EU<br>Administration | <p>Request for the Administration to explain how the overall vehicle journey speed in Table 2 in Annex III of LC Paper No. CB(1)2172/10-11(01) was calculated, and to provide information on the weightings of individual surveyed routes in calculating the respective regional vehicle journey speeds.</p> <p>The Administration undertook to provide the information requested.</p>  | Admin to provide information (para. 2 of the minutes) |

| <b>Time marker</b> | <b>Speaker</b>                                | <b>Subject(s)</b>   | <b>Action required</b> |
|--------------------|---|---|------------------------|
| 012206 –<br>013004 | Chairman<br>Mr Vincent FANG<br>Administration | Discussion on what FRT rates the trade should currently apply in view of the proposed adjustments suggested by the Administration.<br><br>The Administration's response that as the Bill was enacted as an Ordinance and deemed to have come into operation on 23 February 2011, the FRT rates currently applicable should be those as stated in the Order. |                        |
| 013005 –<br>013423 | Chairman<br>Administration                    | Completion of scrutiny of the Bill.<br><br>The Chairman announced that the Bills Committee would submit its written report to the House Committee on 27 May 2011. Members supported the resumption of the Second Reading debate on the Bill at the Council meeting on 15 June 2011.   |                        |

Council Business Division 1  
Legislative Council Secretariat  
30 November 2011