

**For information**

**Legislative Council Panel on Transport**

**Supplementary Information on Trade Licence**

At the meeting of the Legislative Council Panel on Transport held on 6 February 2012, Members discussed the Administration's proposal to introduce a new form of trade licence to facilitate the re-export trade of left-hand drive ("LHD") vehicles, and to improve the control mechanism to prevent the abuse of the use of trade licence. Members requested the Administration to provide supplementary information on the origins and types of LHD vehicles for re-export through Hong Kong, and the penalty for abuse of the use of trade licence. The Administration's response is set out in the following paragraphs.

Origins and Types of LHD Vehicles for Re-export

2. In the past three years from 2009 to 2011, over 69 000 LHD vehicles from different origins including Japan, Germany, the United Kingdom and the United States of America, were re-exported through Hong Kong. These included approximately 36 000 and 33 000 new and second hand vehicles respectively. The Administration does not have statistics on LHD vehicles for re-export by vehicle model, make or brand.

Penalty for Abuse of the Use of Trade Licence

3. According to regulation 60(5) of the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E), if any vehicle is upon or used on any road in contravention of the regulations related to trade licence, the holder of the trade licence and the driver concerned each commits an offence and is liable to a fine of \$2,000. The trade licence concerned may also be cancelled.

4. If the driver of the vehicle uses the trade licence without authorisation or for purposes other than those permitted under the law, the holder of the trade licence and such driver may commit an offence under

section 4(1) of the Motor Vehicles Insurance (Third Party Risks) Ordinance (Cap. 272). In accordance with this section, no person shall use, or cause or permit any other person to use, a motor vehicle on a road unless there is in force in relation to the user of the vehicle by that person or that other person, as the case may be, such a policy of insurance or such a security in respect of third party risks. Using a trade licence for purposes other than those permitted under the law may render the policy of insurance or security ineffective. If a person acts in contravention of this section, he/she shall be liable to a fine of \$10,000 and to imprisonment for 12 months, and be disqualified from holding or obtaining a licence to drive a motor vehicle for 1 to 3 years.

5. In addition, depending on individual circumstances, a person may commit an offence if he/she makes or uses a forged register of journeys or other documentary proof specified under the law. In accordance with sections 71 and 73 of the Crimes Ordinance (Cap. 200), a person who makes or uses a false instrument commits a criminal offence and is liable on conviction on indictment to imprisonment for 14 years.

#### **ADVICE SOUGHT**

6. Members are invited to note the content of this paper.

Transport and Housing Bureau  
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