

**For discussion  
16 February 2012**

**Legislative Council Panel on Transport  
Ad Hoc Quota Trial Scheme for Cross-boundary Private Cars**

**PURPOSE**

This paper sets out the arrangements for the first phase of the Ad Hoc Quota Trial Scheme for Cross-boundary Private Cars (the Scheme) and the current conception for the second phase of the Scheme.

**BACKGROUND**

2. To facilitate travel between Hong Kong and Guangdong, we have been studying and discussing the Scheme with the government of Guangdong. Back in December 2008, we explained to the Legislative Council (LegCo) about the Scheme in response to a question raised by a LegCo Member. At the meeting of the LegCo Panel on Transport on 23 January 2009, we explained to Members the current control regime for cross-boundary vehicles and the future direction for relaxing the private car quota system, and reported the progress regarding our discussions with the Guangdong Provincial Government on the Scheme. We told Members that the existing private car quota system would be relaxed under a highly regulated environment, allowing some private cars to travel between the two places with ad hoc quotas via the Shenzhen Bay Port (SBP). We stated at that time that we had reached preliminary agreement with the relevant Guangdong authorities to pursue the proposed Scheme in two phases, starting with the issue of ad hoc quotas to Hong Kong private cars first, to be followed by Guangdong private cars at a later stage upon satisfactory implementation of the first phase. Members generally welcomed the proposal to issue ad hoc quotas and the general response of the public was also positive. LegCo Members have subsequently followed up on the progress of the Scheme by raising a number of questions.

3. In April 2010, the Administration announced that the Scheme had been included in the Framework Agreement on Hong Kong/Guangdong Co-operation. The Chief Executive also announced at the 14th Plenary of the Hong Kong/Guangdong Co-operation Joint Conference (HKGDCJC) in August 2011 that the first phase of the Scheme would be implemented in March 2012. Afterwards, the Chief Secretary for Administration reiterated the

implementation timetable of the first phase of the Scheme at the 17th Working Meeting of the HKGDCJC in January 2012.

## **MAJOR PRINCIPLES OF THE SCHEME**

4. We understand the public's concern about the Scheme. We will definitely take forward the Scheme in a highly controlled and gradual manner, starting with a small number of quotas as trial, and will consider factors such as road safety, capacity of road networks, as well as environmental protection.

5. When approving quota applications, the governments of Guangdong and Hong Kong will take into account applicants' traffic contravention records so that only drivers with good driving records are allowed under the Scheme to travel between the two places for a short stay of several days. We will remind drivers of the things to take heed of when driving on the other side through education and publicity, so as to raise the safety awareness of the drivers.

## **ARRANGEMENTS FOR THE FIRST PHASE OF THE SCHEME**

6. The first phase of the Scheme, applicable to qualified owners of non-commercial Hong Kong private cars with five seats or less, allows them to drive their own cars to enter Guangdong for a short stay. Qualified Hong Kong vehicle owners can apply for ad hoc quotas through the Internet, starting from 30 March 2012. If the application is successful, the applicant can enter Guangdong with ad hoc quota via the SBP on 27 April 2012 the earliest, stay for not more than seven days and has to return to Hong Kong via the SBP within the seven-day period. Applications will be assessed by the governments of Guangdong and Hong Kong separately in accordance with established criteria. Applications rejected by either side will not be approved. During the initial stage of implementation, there will only be 50 quotas each day. The two governments will carefully monitor the situation. We will only consider gradually increasing the number of quotas by a small amount having regard to relevant factors such as road safety, capacity of road networks, as well as environmental protection.

7. To allow more private car owners to join the Scheme, each owner can only apply for one quota each time and a new reservation can only be made at least six weeks from the start date of the quota last approved. Vehicles issued with such quotas cannot be used for commercial purposes. Application details are at the **Annex**.

8. To apply for ad hoc quotas for cross-boundary private cars, applicants must follow the following steps to complete the relevant formalities required by the governments of Guangdong and Hong Kong respectively:

Step 1: Reserve an ad hoc quota with the Transport Department (TD)

- The applicant may reserve a quota via the GovHK website or reservation hotline. Reservation must be made at least 28 days before the required quota start date. At this stage, the applicant has not yet been issued the quota.

Step 2: Apply to the TD for the reserved quota and Closed Road Permit (CRP)

- All applications are subject to separate assessment and approval by the TD and the Public Security Department of Guangdong Province (GDPSD). The TD will notify the applicant of the result and issue a CRP in about ten working days after receipt of an application (including the processing time of the GDPSD) through email and by post. The applicant may also enquire about the status of his application via the Internet or hotline.
- An applicant must submit to the TD relevant particulars and supporting documents for applying for the reserved quota and CRP within the five-day application period<sup>1</sup> which begins from the date of successful reservation of the quota.

Step 3: Complete formalities as required by various Mainland authorities

- After successfully obtaining the quota and CRP, the applicant is required to take out the “compulsory traffic accident liability insurance for motor vehicles”<sup>2</sup> for a period of at least 11 days for his private car as required by the Mainland authorities and bring

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<sup>1</sup> For postal applications, the date of the stamp chop will be regarded as the submission date.

<sup>2</sup> According to the requirements set out by the China Insurance Regulatory Commission, the limits of liability of the “compulsory traffic accident liability insurance for motor vehicles” are as follows:

- (1) The compensation limits for an insured motor vehicle liable for the road traffic incident concerned are RMB 110,000 for death and disability; RMB 10,000 for medical expenses; and RMB 2,000 for property loss.
- (2) The compensation limits for an insured motor vehicle not liable for the road traffic incident concerned are RMB 11,000 for death and disability; RMB 1,000 for medical expenses; and RMB 100 for property loss.

along necessary supporting documents to designated offices<sup>3</sup> to complete the following formalities and pay relevant fees<sup>4</sup>:

- (i) apply for the “Approval Notice” and “Temporary-entry Vehicle Licence Plate and Licence” issued by the GDPD;
- (ii) apply for the “Inspection and Quarantine Declaration Card for Temporary Arrival/Departure of Private Cars”; and
- (iii) apply for ATA Carnet as required by the Mainland Customs (the applicant will have to procure “carnet insurance”).

In addition to the statutory insurance as required by the Mainland and Hong Kong, the applicant should, based on his own circumstances, consider the need to take out other related insurance, such as travel insurance, commercial third party liability insurance and cross-boundary motor vehicle owner’s liability insurance, to extend the scope and coverage of insurance. Applicants/designated drivers may approach insurance companies to make enquiry.

## **SECOND PHASE OF THE SCHEME**

9. The second phase of the Scheme allows eligible owners of Guangdong private cars to enter Hong Kong for a short stay by using ad hoc quotas. We will take into consideration factors such as road safety, capacity of road networks, as well as environmental protection, when formulating the relevant arrangements. Experts of the two governments will further study and discuss the specific arrangements for the second phase of the Scheme when there is experience in smooth operation after implementing the first phase for a period of time. There is no concrete timetable for the second phase at this time.

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<sup>3</sup> The relevant Mainland authorities have commissioned the China Travel Service (Hong Kong) Limited to handle the formalities as stipulated in paragraphs 6(i) & (ii) as their agent. The ATA Carnet mentioned in paragraph 6(iii) will be issued by the Hong Kong General Chamber of Commerce.

<sup>4</sup> Taking a vehicle valued at HK\$300,000 as an example, the total fees for the formalities stipulated in paragraphs 6(i) to (iii) amount to about HK\$2,000, which include the fee for “Approval Notice” and “Temporary-entry Vehicle Licence Plate and Licence” issued by the GDPD, “Inspection and Quarantine Declaration Card for Temporary Arrival/Departure of Private Cars” fee, premium of “compulsory traffic accident liability insurance for motor vehicles”, ATA Carnet handling charge, Mainland Customs pre-declaration fee and premium of “carnet insurance”. Separately, the Government of Hong Kong Special Administrative Region will charge HK\$45 for issuing a CRP. Premiums of other optional insurance are not included.

10. Mainland drivers and vehicles allowed to enter Hong Kong under the Scheme must comply with our traffic ordinances and regulations, and they have to be covered by valid Hong Kong motor vehicle third party risks insurance. Offenders will be prosecuted in accordance with the law.

11. Implementation of the second phase of the Scheme will involve legislative amendments, to provide legal basis for the issuance of temporary licences to Guangdong private cars and for charging the relevant fees.

### **ADVICE SOUGHT**

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

Transport and Housing Bureau  
February 2012

## **Ad Hoc Quota Trial Scheme for Cross-boundary Private Cars Application Requirements**

### **Eligibility of applicants**

- The applicant shall be the registered owner of a right-hand drive private car with seating capacity of 5 or less<sup>1</sup> registered and licensed<sup>2</sup> in Hong Kong. The applicant should also be a Hong Kong resident holding a valid “Home Visit Permit”.
- If the registered owner of the vehicle is a company, the company must be incorporated in Hong Kong and must authorize in writing a person<sup>3</sup> who is a Hong Kong resident holding a valid “Home Visit Permit“ to act as the applicant.
- The applicant must be on board the private car concerned upon entering the Guangdong Province and returning to Hong Kong.
- The applicant must be one of the designated drivers and meet the eligibility requirements.

### **Eligibility of drivers**

- The private car concerned can be driven by not more than two designated drivers for entering the Guangdong Province. If the registered owner is a company, the other designated driver must also be authorized by the company in writing.
- The designated driver must hold a valid Hong Kong Identity Card and a “Home Visit Permit”.
- The designated driver must hold both a valid Hong Kong full driving licence<sup>4</sup> and a People’s Republic of China Motor Vehicle Driving Licence with private car entitlement.
- The private cars concerned can only be driven by the designated drivers and no one else.

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<sup>1</sup> Including driver’s seat.

<sup>2</sup> The vehicle licence must be valid for at least 11 days from the quota start date.

<sup>3</sup> This person must be a director or staff member of the company.

<sup>4</sup> The driving licence(s) of all designated driver(s) must be valid for at least 11 days from the quota start date.

## **Compliance with laws and regulations, and import/export control, etc.**

- All vehicle owners/drivers entering the Guangdong Province with ad hoc quotas are reminded:
  - not to use the private cars concerned for any illegal or unauthorized activities in contravention of the laws and regulations of the two places, including smuggling, carriage of prohibited articles, illegal carriage of passengers for hire or reward or goods across the border, or using fraudulent or dishonest means to obtain approval documents related to the ad hoc quotas;
  - to familiarize themselves with the import/export control of the two places and make true and complete declarations to the customs, inspection and quarantine control authorities;
  - that the private cars concerned should not travel beyond the boundary of the Guangdong Province or be driven by non-designated drivers; and
  - that drivers of cross-boundary private cars must have good driving records, observe the laws and regulations of the Mainland.
- If the applicants or designated drivers are found by the governments of either side to have violated any of the above requirements, the relevant application will not be accepted.

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