

## **LEGISLATIVE COUNCIL BRIEF**

**Dutiable Commodities Ordinance (Chapter 109)**  
DUTIABLE COMMODITIES (AMENDMENT) REGULATION 2012

**Firearms and Ammunition Ordinance (Chapter 238)**  
FIREARMS AND AMMUNITION (AMENDMENT) REGULATION 2012  
FIREARMS AND AMMUNITION (STORAGE FEES)  
(AMENDMENT) ORDER 2012

**Pawnbrokers Ordinance (Chapter 166)**  
PAWNBROKERS (AMENDMENT) REGULATION 2012

**Massage Establishments Ordinance (Chapter 266)**  
MASSAGE ESTABLISHMENTS (AMENDMENT) REGULATION 2012

### **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 are specified 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 relating to various licences (and an exemption) 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 grant or renewal of a pawnbroker licence is prescribed in the Pawnbrokers 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 for services charged by the Government should be set at levels adequate to recover the full cost of providing the goods or services. The latest costing review at 2012-13 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 10% to 21%, 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 22 June 2012.

## **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, temporary liquor licence, massage establishment licence, and the arms licences and permits, together with comprehensive guidance notes on the application procedures, onto the Government website for applicants to download directly. Since 2010, the application forms for the arms licences and permits have been fine-tuned to streamline the 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 \$0.6 million 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 23 March 2012. The Panel did not ask to discuss the proposed revision, and no views have been received from Members of the Panel.

## **PUBLICITY**

13. The Amendment Regulations and the Amendment Order will be published in the Gazette on 27 April 2012. A spokesperson will be available to answer any enquiries on this subject.

## **ENQUIRIES**

14. For enquiries relating to this brief, please contact Mr Chris NG, Assistant Secretary for Security, at telephone number 2810 2068.

**Security Bureau**  
**April 2012**

**Dutiable Commodities (Amendment) Regulation 2012**

(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 comes into operation on 22 June 2012.

**2. Dutiable Commodities Regulations amended**

The Dutiable Commodities Regulations (Cap. 109 sub. leg. A) are amended as set out in section 3.

**3. Schedule amended (licences and fees)**

The Schedule, Part II, item 6—

**Repeal**

“385”

**Substitute**

“445”.



Secretary for Financial Services and  
the Treasury

24 April 2012

**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 2012

(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 comes into operation on 22 June 2012.

### 2. Firearms and Ammunition Regulations amended

The Firearms and Ammunition Regulations (Cap. 238 sub. leg. A) are amended as set out in section 3.

### 3. Second Schedule amended (fees)

(1) Second Schedule, item 1—

**Repeal**

“470”

**Substitute**

“540”.

(2) Second Schedule, item 2(b)—

**Repeal**

“190”

**Substitute**

“230”.

(3) Second Schedule, item 2(c)—

**Repeal**

“1,790”

**Substitute**

“2,060”.

(4) Second Schedule, item 2A—

**Repeal**

“72”

**Substitute**

“86”.

(5) Second Schedule, item 3(a)—

**Repeal**

“4,470”

**Substitute**

“5,140”.

(6) Second Schedule, item 3(b)—

**Repeal**

“4,510”

**Substitute**

“4,960”.

(7) Second Schedule, item 3(c)—

**Repeal**

“10,650”

**Substitute**

“11,700”.

(8) Second Schedule, item 4—

**Repeal**

“72”

**Substitute**

“86”.

(9) Second Schedule, item 5—

**Repeal**

“72”

**Substitute**

“83”.



Secretary for Financial Services and  
the Treasury

24 April 2012

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**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 a condition of a licence; and
- (d) the replacement of a licence or an exemption.



**Firearms and Ammunition (Storage Fees)  
(Amendment) Order 2012**

(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 comes into operation on 22 June 2012.

**2. Firearms and Ammunition (Storage Fees) Order amended**

The Firearms and Ammunition (Storage Fees) Order (Cap. 238 sub. leg. B) is amended as set out in section 3.

**3. Schedule amended**

(1) The Schedule, item 1—

**Repeal**

“\$120”

**Substitute**

“\$140”.

(2) The Schedule, item 2—

**Repeal**

“\$120”

**Substitute**

“\$140”.

(3) The Schedule, item 3—

**Repeal**

“\$120”

**Substitute**

“\$140”.

(4) The Schedule, item 4—

**Repeal**

“\$93”

**Substitute**

“\$105”.

Secretary for Financial Services and  
the Treasury

24 April 2012

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**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 2012**

(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 comes into operation on 22 June 2012.

**2. Pawnbrokers Regulations amended**

The Pawnbrokers Regulations (Cap. 166 sub. leg. A) are amended as set out in section 3.

**3. Second Schedule amended**

Second Schedule, Part I—

**Repeal**

“\$3,810”

**Substitute**

“\$4,190”.



Secretary for Financial Services and  
the Treasury

24 April 2012

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**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).

**Massage Establishments (Amendment) Regulation 2012**

(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 comes into operation on 22 June 2012.

**2. Massage Establishments Regulations amended**

The Massage Establishments Regulations (Cap. 266 sub. leg. A) are amended as set out in section 3.

**3. Schedule 2 amended**

(1) Schedule 2, item 1—

**Repeal**

“\$7,370”

**Substitute**

“\$8,480”.

(2) Schedule 2, item 2—

**Repeal**

“\$3,000”

**Substitute**

“\$3,300”.



Secretary for Financial Services and  
the Treasury

24 April 2012

**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 2012-13 Prices  
(for processing one application)**

	\$
Staff Costs	728
Departmental Expenses	16
Accommodation Costs	16
Depreciation	1
Central Administrative Overhead	7
<b>Unit Cost</b>	<b>768</b>
Existing fee	385
<b>Proposed fee</b>	<b>445</b>

## COST COMPUTATION

### Hong Kong Police Force

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

#### Cost at 2012-13 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	674	796	4,110	463	5,904	4,696	11,780	242	170
Departmental Expenses	16	28	81	10	114	95	227	6	5
Accommodation Costs	13	13	62	8	138	75	187	4	4
Depreciation	1	2	7	1	10	9	21	0	0
Cost of Services Provided by Other Departments	0	0	0	0	271	405	87	0	0
Central Administrative Overhead	6	7	37	4	53	42	106	2	1
<b>Unit Cost</b>	<b>710</b>	<b>846</b>	<b>4,297</b>	<b>486</b>	<b>6,490</b>	<b>5,322</b>	<b>12,408</b>	<b>254</b>	<b>180</b>
Existing fee	470	190	1,790	72	4,470	4,510	10,650	72	72
<b>Proposed fee</b>	<b>540</b>	<b>230</b>	<b>2,060</b>	<b>86</b>	<b>5,140</b>	<b>4,960</b>	<b>11,700</b>	<b>86</b>	<b>83</b>

#### 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
- Fee (3) ● subject to Fee (4), in any other case
- 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))
- Fee (6) ● restricted to used cartridge cases, used shot, used bullets, used missiles or parts of any of those articles
- Fee (7) ● subject to Fee (4), in any other cases
- 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 2012-13 Prices (for processing one application)

	Fee (1)	Fee (2)	Fee (3)	Fee (4)
	\$	\$	\$	\$
Staff Costs	180	180	180	180
Departmental Expenses	5	5	5	5
Accommodation Costs	4	4	4	4
Central Administrative Overheads	2	2	2	2
<b>Unit Cost</b>	<b>191</b>	<b>191</b>	<b>191</b>	<b>191</b>
Existing fee	120	120	120	93
<b>Proposed fee</b>	<b>140</b>	<b>140</b>	<b>140</b>	<b>105</b>

#### 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)(Second Schedule)**

**Cost at 2012-13 Prices  
(for processing one application)**

Staff Costs	\$ 3,551
Departmental Expenses	79
Accommodation Costs	84
Depreciation	6
Cost of Services Provided by Other Departments	862
Central Administrative Overheads	32
<b>Unit Cost</b>	<hr/> <b>4,614</b> <hr/>
Existing fee	3,810
<b>Proposed fee</b>	<b>4,190</b>

**COST COMPUTATION****Hong Kong Police Force****Fees under the Massage Establishments Regulations (Cap. 266 sub.leg. A)(Schedule 2)****Cost at 2012-13 Prices  
(for processing one application)**

	Fee (1)	Fee (2)
	\$	\$
Staff Costs	5,194	1,699
Departmental Expenses	113	35
Accommodation Costs	142	38
Depreciation	9	3
Cost of Services Provided by Other Departments	11,171	1,683
Central Administrative Overheads	47	15
<b>Unit Cost</b>	<b>16,676</b>	<b>3,473</b>
Existing fee	7,370	3,000
<b>Proposed fee</b>	<b>8,480</b>	<b>3,300</b>

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)

## Existing and Proposed Fees

Item	Existing Fee (\$)	Proposed Fee (\$)	Proposed percentage increase (approx.)
<b><u>Dutiable Commodities Regulations (Cap. 109 sub.leg. A)</u></b>			
(Part II of Schedule)			
6. Fee for a temporary liquor licence (per diem)	385	<b>445</b>	<b>16%</b>
<b><u>Firearms and Ammunition Regulations (Cap. 238 sub.leg. A)</u></b>			
(Second Schedule)			
1. Fee for an exemption under section 4(3) of the Firearms and Ammunition Ordinance (per permit)	470	<b>540</b>	<b>15%</b>
2. Fee for the issue or the renewal of a licence for possession –			
(b) granted to a security guard	190	<b>230</b>	<b>21%</b>
(c) subject to item 2A, in any other case	1,790	<b>2,060</b>	<b>15%</b>
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)	72	<b>86</b>	<b>19%</b>
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))	4,470	<b>5,140</b>	<b>15%</b>
(b) restricted to used cartridge cases, used shot, used bullets, used missiles or parts of any of those articles	4,510	<b>4,960</b>	<b>10%</b>
(c) subject to item 2A, in any other case	10,650	<b>11,700</b>	<b>10%</b>
4. Fee for the amendment of a licence or a condition thereof	72	<b>86</b>	<b>19%</b>
5. Fee for the replacement of a licence or an exemption	72	<b>83</b>	<b>15%</b>

<b>Item</b>	<b>Existing Fee (\$)</b>	<b>Proposed Fee (\$)</b>	<b>Proposed percentage increase (approx.)</b>
<b><u>Firearms and Ammunition (Storage Fees) Order (Cap. 238 sub.leg. B)</u></b> (Schedule)			
1. Fee for storing arms (for each article for each month or part thereof)	120	<b>140</b>	<b>17%</b>
2. Fee for storing imitation firearms (for each article for each month or part thereof)	120	<b>140</b>	<b>17%</b>
3. Fee for storing ammunition (for each 100 rounds of ammunition or part thereof, for each month or part thereof)	120	<b>140</b>	<b>17%</b>
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)	93	<b>105</b>	<b>13%</b>

**Pawnbrokers Regulations (Cap. 166 sub. leg. A)**  
(Second Schedule)

1. Fee for the grant or renewal of a pawnbroker licence under section 5 of the Pawnbrokers Ordinance (per annum)	3,810	<b>4,190</b>	<b>10%</b>
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**Massage Establishments Regulations (Cap. 266 sub. leg. A)**  
(Schedule 2)

1. Fee for the issue of a massage establishment licence	7,370	<b>8,480</b>	<b>15%</b>
2. Fee for the renewal of a massage establishment licence (whether for a renewal period of 12 months or 24 months)	3,000	<b>3,300</b>	<b>10%</b>