

## **LEGISLATIVE COUNCIL BRIEF**

### **Road Traffic Ordinance (Chapter 374)**

### **ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) (AMENDMENT) (NO.2) REGULATION 2012**

#### **INTRODUCTION**

In exercise of the power conferred by section 6(1) of the Road Traffic Ordinance (Cap. 374) (“the Ordinance”), the Secretary for Transport and Housing (“the Secretary”) has made the Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No.2) Regulation 2012 (“the Amendment Regulation”), at **Annex**, to introduce a new type of trade licence to facilitate the re-export trade of left-hand drive (“LHD”) vehicles, to improve the control mechanism to prevent the abuse of the use of trade licence, and to address other issues related to trade licence.

#### **BACKGROUND AND JUSTIFICATIONS**

*Introduction of a new type of trade licence to facilitate the re-export trade of LHD vehicles*

2. The re-export of LHD vehicles is a sizeable business in Hong Kong: around 20 000 LHD vehicles, including private cars, coaches and goods vehicles, are re-exported through Hong Kong every year. The Mainland has been the major re-export destination, although re-exports to some other destinations, such as Vietnam, are also active. Around 1 000 LHD vehicles are re-exported to the Mainland via Lok Ma Chau/Huanggang every month while re-exports to ports in the Mainland and other countries are by sea.

3. Unlike local car dealers, re-exporters of LHD vehicles cannot use trade licences in their re-export operations. According to the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E) (“the Regulations”), a trade licence may only be used for driving -

- (a) an unregistered vehicle in the course of delivery to a motor dealer or exhibitor;
- (b) a vehicle for the purpose of presale demonstration to a potential customer; or
- (c) a vehicle under mechanical test,

which is in the possession of the licensee in the course of his/her business as a manufacturer or repairer of, or dealer in vehicles. Trade licences cannot be used upon vehicles which do not comply with the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) and therefore do not meet the requirements for registration and licensing in Hong Kong, e.g. LHD vehicles, unless pursuant to a movement permit.

4. At present, a movement permit is necessary for driving LHD vehicles in transit on Hong Kong roads for the purposes of examination or modification, or delivery to the ports. A movement permit stipulates and restricts the route and purpose for which such a vehicle may be driven from one site to another. Unlike trade licences which can be used on any vehicle in possession of the licence holders for purposes permitted under the Regulations, movement permits are vehicle specific for the approved purposes on the specified routes only. Under the existing law, a LHD vehicle dealer has to obtain a movement permit for each and every LHD vehicle intended to be driven on the roads of Hong Kong for re-export. A prescribed fee of HK\$560 is payable for each movement permit. The trade claimed that this has caused inconvenience and increased cost to them. We consider that there is a need to introduce a new type of trade licence that can be used on its own upon LHD vehicles to facilitate the operation of the LHD vehicle re-export trade.

*Improvements to the control mechanism to prevent abuse of the use of trade licence*

5. There have been calls from Members of the Legislative Council and the public to tighten the control mechanism to more effectively prevent abuse of the use of trade licence. Instances of abuse include using a trade licence on an unregistered and unlicensed multi-million dollar sport car for joy ride in Hong Kong, claiming to be for a permitted purpose of the trade licence, while avoiding the normal registration and licensing procedures and paying the relevant fees and tax.

6. At present, police officers rely on the register of journeys to check the use of trade licence. Each holder of a trade licence is required to maintain a register of all journeys made by vehicles in use under the trade licence and produce such register for inspection on request by any police officer or the Commissioner for Transport (“the Commissioner”). The existing law does not prescribe how the register should be kept and does not require it to be carried on board the vehicle upon which the trade licence is used, making enforcement by the Police difficult. We therefore propose to improve the control mechanism of trade licence to facilitate enforcement by the Police, thereby more effectively preventing abuse.

*Other issues related to trade licence*

7. We intend also to take the opportunity of this legislative exercise to clarify the requirements on the display of trade plates and the permitted uses of trade licence, authorise the Commissioner to issue expressway permit and non-vehicle specific closed road permit (“CRP”) for use in conjunction with trade licence, and to introduce some technical updates to the Regulations.

**KEY FEATURES OF THE AMENDMENT REGULATION**

*New trade licence for the re-export trade of LHD vehicles*

8. The proposed new trade licence for LHD vehicles for re-export

would be subject to the following restrictions on use:

- (a) it cannot be used for presale demonstration of the vehicle concerned to potential customers;
- (b) it cannot be used for mechanical test of the vehicle concerned;
- (c) no passenger is allowed on the vehicle used under the new trade licence and the driver must be the holder of a trade licence or an authorised user;
- (d) the driver of the vehicle shall, upon request by any police officer or the Commissioner, produce evidence on the spot to prove that the vehicle has been in Hong Kong for not more than 12 months from the date it was imported into Hong Kong.

9. The plate for the proposed new trade licence would be of a different colour scheme from that of the plate for the existing trade licence, which currently has red letters and numerals on a white background. The new trade plate for LHD vehicles will have blue letters and numerals on a white background that can be easily identified by police officers and on enforcement cameras.

*Proposed improvements to the control mechanism to prevent abuse of the use of trade licence*

10. Holders of trade licences would be required to keep detailed authorisation records in addition to a register of journeys, and persons authorised by licence holders to use trade licences would be required to carry with them the written authorisation and a duplicate copy of the relevant register of journeys for inspection on request by any police officer or the Commissioner. The particulars to be included in the authorisation records, individual written authorisation and register of journeys will be clearly set out in the Amendment Regulation.

*Display of trade plates and licence*

11. According to the existing regulation 45 of the Regulations,

when a vehicle is in use under a trade licence, the holder shall display the trade plate issued in respect of the licence as well as the trade licence on the front of the vehicle, and display the other trade plate issued to him on the back of the vehicle. The meanings of “on the front of the vehicle” and “on the back of the vehicle” are not sufficiently precise. It is proposed to specify clearly the positions and manner of display of trade plates in order to facilitate law enforcement.

*Driving a vehicle for the purpose of mechanical test, examining, repairing or presale retrofitting the vehicle*

12. The existing regulation 47(4)(c) of the Regulations stipulates that a trade licence may be used for driving a vehicle “under mechanical test”. In response to the trade’s concerns that the existing regulation is not clear enough, it is proposed to make it clear that a trade licence may be used for driving a vehicle for the purpose of mechanical test (this is not applicable to LHD vehicles in use under the new type of trade licence), examining, repairing or presale retrofitting the vehicle, in order to facilitate the operation of the trade.

*CRP and expressway permit for use in conjunction with trade licence*

13. The existing regulation 49 of the Regulations provides for the mechanism for issue of CRP for driving a motor vehicle on a closed road in accordance with the Road Traffic (Traffic Control) Regulations (Cap. 374G). Under the existing legal framework<sup>1</sup>, a CRP may not be issued in respect of a vehicle which is not registered and therefore has no vehicle registration mark. However, CRPs will be required for driving unregistered LHD vehicles to the Lok Ma Chau Control Point for re-export and are also needed for use on unregistered non-LHD vehicles with the existing type of trade licences in import of vehicles via land. For example, trade licences are used by some bus suppliers on coaches/buses imported from Guangdong which are yet to be registered at the time of import. To facilitate the trade’s operation, it is proposed to provide for the issue of CRP for use in conjunction with trade licence on

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<sup>1</sup> The existing schedule 9 to the Regulations specifies the particulars required to be entered on CRPs and expressway permits and vehicle registration mark is one of them.

unregistered vehicles. The CRPs issued for this purpose will only be used for driving vehicles on a closed road within a boundary control point specified by the Commissioner.

14. The existing regulation 50A of the Regulations stipulates that a registered owner of a motor vehicle which is not permitted to be used or driven on an expressway under regulation 4(1) of the Road Traffic (Expressway) Regulations (Cap. 374Q) may apply to the Commissioner for an expressway permit for driving the vehicle on an expressway. Under the existing legal framework<sup>1</sup>, an expressway permit may not be issued for a vehicle which is not registered and has no vehicle registration mark. We believe that there is a genuine need for certain unregistered vehicles (both LHD and non-LHD) used under trade licences to be driven on expressways and therefore propose to provide for the issue of expressway permit for unregistered vehicles used in connection with trade licences. Such expressway permits will be vehicle specific given safety consideration.

#### *Technical updates to the Regulations*

15. As there is no longer any functional need for listing the address of licence/permit holder on the licences and permits issued under the Regulations, it is proposed to remove the requirement to enter such information on the licences and permits under Schedule 9 to the Regulations. With the removal of the holder's address from licences and permits, consequential amendment to regulation 57(1)<sup>2</sup> would be required to provide that the notice of cancellation of licence/permit would be sent to the address provided by the licence or permit holder on his/her application form or the address as last notified to the Commissioner.

16. To align the terms used in the Regulations with the empowering provision in section 6(1) of the Ordinance, wordings in regulation 44(4) of the Regulations on the occasion when trade plates should be returned to the Commissioner are revised.

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<sup>2</sup> The existing regulation 57(1) stipulates that where any condition of a trade licence or permit issued is contravened, the Commissioner may, by giving notice in writing to the person named in the licence or permit at the address specified in the licence or permit, cancel the trade licence or permit.

## **THE AMENDMENT REGULATION**

17. The Amendment Regulation, which aims to introduce a new trade licence for the re-export trade of LHD vehicles, to improve the control mechanism to prevent abuse of the use of trade licence, and to address other issues related to trade licence, comprises the following key provisions -

- (i) Section 1 provides for the commencement of the Amendment Regulation.
- (ii) Section 3 adds three new definitions to regulation 2 of the Regulations.
- (iii) Sections 4 and 5 add new regulations 43(1A) and 44(2A) to empower the Commissioner to issue trade licences for use on LHD vehicles imported to Hong Kong for re-export to a place outside Hong Kong and specify the colour requirements for trade plates displayed on LHD vehicles in use under a trade licence.
- (iv) Section 6 amends regulation 45 to clarify the requirement in relation to the display of trade plates on vehicles in use under trade licences.
- (v) Section 8 adds new regulation 46A to deal with authorisations given by holders of trade licences and records of authorisations maintained by holders of trade licences; section 10 amends regulation 48 to provide for additional requirements for register of journeys.
- (vi) Section 9 amends regulation 47 to provide for additional limitations on the use of trade licences for non-LHD vehicles, and specify the limitations on the use of trade licences for LHD vehicles.
- (vii) Sections 11 and 12 add new regulations 49(1A) and 50A(1A) to enable a CRP to be issued for use in conjunction with a trade

licence, and an expressway permit to be issued for driving a vehicle in use under a trade licence.

- (viii) Sections 13 and 17(a) amend regulation 57(1) and Schedule 9 to remove the requirement for specifying the address of a permit/licence holder on various permits/licences, and amend regulation 57(1) in respect of the address at which a notice of cancellation can be given to a holder of a licence or permit.

## **LEGISLATIVE TIMETABLE**

18. The legislative timetable is as follows -

Publication in the Gazette	11 May 2012
Tabling at the Legislative Council	16 May 2012
Commencement	9 July 2012

## **IMPLICATIONS OF THE AMENDMENT REGULATION**

19. The Amendment Regulation is in conformity with the Basic Law, including the provisions concerning human rights. It has no environmental, sustainability, productivity or civil service implications. As to economic implications, the proposed introduction of the new trade licence would help reduce the cost of carrying out LHD vehicle re-export trade and therefore facilitate such trade in Hong Kong. As to financial implications, additional revenue to be generated from the proposal to introduce a new trade licence is estimated to be about \$30,000 a year. The Amendment Regulation will not affect the binding effect of the Ordinance.

## **PUBLIC CONSULTATION**

20. We have consulted the trade, including parties dealing with LHD and right-hand drive vehicles on the Administration's proposals. The trade generally welcomed the proposals to facilitate LHD vehicle

re-export trade and to improve the regulatory mechanism of trade licence. We consulted the Transport Advisory Committee on the proposals at its meeting on 29 November 2011 and members were supportive of the proposals in general. We also briefed the Legislative Council Panel on Transport at its meeting on 6 February 2012 and Members did not have any adverse comments on the proposals.

## **PUBLICITY**

21. A press release will be issued on 10 May 2012 before the Amendment Regulation is published in the Gazette on 11 May 2012. A spokesman will be available to handle media enquiries. Before the commencement of the Amendment Regulations, the Commissioner will issue another press release, put up notices in TD's Licensing Offices and issue letters to the trade to inform them of the commencement of the Amendment Regulation.

## **ENQUIRIES**

22. Any enquiries concerning this Brief can be directed to Miss Amy Chan, Principal Assistant Secretary for Transport and Housing, at 3509 8196.

**Transport and Housing Bureau**  
**May 2012**

Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 2)  
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## Road Traffic (Registration and Licensing of Vehicles) (Amendment) (No. 2) Regulation 2012

(Made by the Secretary for Transport and Housing under section 6 of the  
Road Traffic Ordinance (Cap. 374))

### 1. Commencement

This Regulation comes into operation on 9 July 2012.

### 2. Road Traffic (Registration and Licensing of Vehicles) Regulations amended

The Road Traffic (Registration and Licensing of Vehicles)  
Regulations (Cap. 374 sub. leg. E) are amended as set out in  
sections 3 to 18.

### 3. Regulation 2 amended (interpretation)

Regulation 2(1)—

#### Add in alphabetical order

*“authorized user (獲授權使用者), in relation to a trade  
licence, means an employee mentioned in regulation  
46A(1) who is authorized under that regulation to use  
the trade licence;*

*left-hand drive vehicle (左軚車輛) means a vehicle that has  
the driver’s seat so placed as to permit the driver of the  
vehicle to give by hand the usual traffic signals on the  
left or near side of the vehicle;*

*non-left-hand drive vehicle (非左軚車輛) means a vehicle  
other than a left-hand drive vehicle;”.*

### 4. Regulation 43 amended (issue of trade licence)

(1) Regulation 43(1)(a), before “vehicles”—

#### Add

“non-left-hand drive”.

(2) After regulation 43(1)—

#### Add

“(1A) The Commissioner, on being satisfied that the  
applicant—

(a) is a bona fide manufacturer or repairer of or dealer  
in left-hand drive vehicles for re-export to a place  
outside Hong Kong; and

(b) has an adequate policy of insurance in respect of  
those vehicles,

may issue to the applicant a trade licence in accordance  
with the application together with a set of 2 trade plates  
with a weather-proof holder for the trade licence  
attached to one of them.”.

### 5. Regulation 44 amended (trade licences and trade plates)

(1) Regulation 44(2)—

#### Repeal

“Each trade plate shall”

#### Substitute

“If a trade plate is issued under regulation 43(1), it must”.

(2) After regulation 44(2)—

#### Add

“(2A) If a trade plate is issued under regulation 43(1A), it must  
display the letter “T”, followed by the number allocated  
in respect of the plate, in blue on a white background in  
a form specified by the Commissioner.”.

(3) Regulation 44(4)—

#### Repeal

“is not renewed”

**Substitute**

“expires without being replaced by a new trade licence bearing the same number”.

**6. Regulation 45 substituted**

Regulation 45—

**Repeal the regulation**

**Substitute**

**“45. Display of trade plates and licence**

- (1) When a vehicle other than a motor cycle or trailer is being used under a trade licence, the holder of the trade licence must display or cause the driver or the authorized user to display—
  - (a) a trade plate issued to the holder with the trade licence attached to it on the foremost part of the vehicle in a vertical position, so that every letter and numeral of the trade plate is vertical and is distinguishable from the front of the vehicle; and
  - (b) the other trade plate issued in respect of the trade licence on the rearmost part of the vehicle in a vertical position, so that every letter and numeral of the trade plate is vertical and is distinguishable from the rear of the vehicle.
- (2) When a motor cycle or trailer is being used under a trade licence, the holder of the trade licence must display or cause the driver or the authorized user to display a trade plate issued to the holder with the trade licence attached to it on the rearmost part of the motor cycle or trailer in a vertical position, so that every letter and numeral of the trade plate is vertical and is distinguishable from the rear of the motor cycle or trailer.

- (3) When a vehicle other than a motor cycle or trailer is being used under a trade licence by an authorized user or by a prospective purchaser for the purpose of test or trial, the authorized user or prospective purchaser must display the trade plates in accordance with the requirements of subregulation (1)(a) and (b).
- (4) When a motor cycle or trailer is being used under a trade licence by an authorized user or by a prospective purchaser for the purpose of test or trial, the authorized user or prospective purchaser must display the trade plates in accordance with the requirements of subregulation (2).”.

**7. Regulation 46 amended (trade licence not transferable)**

Regulation 46—

**Repeal**

“a person bona fide in his employ and acting under his authority is present and in charge of the vehicle or if such vehicle”

**Substitute**

“an authorized user is present and in charge of the vehicle or if the vehicle is a non-left-hand drive vehicle, it”.

**8. Regulation 46A added**

After regulation 46—

**Add**

**“46A. Authorization to use trade licence and record of authorization**

- (1) The holder of a trade licence may, either generally or in a particular case, authorize in writing an employee of the holder who engages in the holder’s business as a

- manufacturer or repairer of or dealer in vehicles to use the trade licence.
- (2) The holder of a trade licence must—
- (a) sign the authorization given under subregulation (1); or
- (b) if the holder is a company, ensure that the authorization is signed by a person authorized for the purpose and impressed with the seal or chop of the company.
- (3) The holder of a trade licence must also ensure that the authorization—
- (a) bears a serial number; and
- (b) contains the particulars specified in Schedule 12.
- (4) If an authorized user is not a person designated under subregulation (5), the authorized user must obtain the approval of such a person or the holder of the trade licence before using the trade licence.
- (5) The holder of a trade licence may designate a person to give the approval for the purposes of subregulation (4).
- (6) The holder of a trade licence must not designate a person under subregulation (5) unless the person is in charge of or responsible for managing the holder's business as a manufacturer or repairer of or dealer in vehicles.
- (7) If the holder of a trade licence authorizes an authorized user to use the trade licence under subregulation (1), the holder must maintain a record of the authorization containing the particulars specified in Schedule 13.
- (8) The holder of a trade licence must immediately produce the record of the authorization for inspection on request by any police officer or the Commissioner.
- (9) While driving a vehicle in use under a trade licence or being present and in charge of a non-left-hand drive

vehicle in use under a trade licence by a prospective purchaser for the purpose of test or trial, an authorized user must—

- (a) carry on board the vehicle the written authorization mentioned in subregulation (1); and
- (b) immediately produce that written authorization for inspection on request by any police officer or the Commissioner.”.

**9. Regulation 47 substituted**

Regulation 47—

**Repeal the regulation**

**Substitute**

**“47. Limitations of use of trade licence**

- (1) A trade licence must not be used in respect of any vehicle other than a vehicle that is in the possession of the holder of the trade licence in the course of the holder's business as a manufacturer or repairer of or dealer in vehicles.
- (2) A trade licence must not at any time be used in respect of a vehicle that is being used for the conveyance of passengers for hire or reward or in respect of a vehicle that is being used for the conveyance of goods in the course of trade or for the delivery or removal of goods.
- (3) Unless used pursuant to a movement permit issued under regulation 53, a non-left-hand drive vehicle must not be used under a trade licence issued under regulation 43(1) if an application for registration and licensing of the vehicle under these regulations would be unsuccessful by virtue of failure to comply with the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A) or for any other reason.

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- (4) A left-hand drive vehicle must not be used under a trade licence issued under regulation 43(1A) unless the vehicle—
  - (a) was imported into Hong Kong not more than 12 months ago;
  - (b) is intended for re-export to a place outside Hong Kong; and
  - (c) complies with paragraphs 1, 2 and 3 of Article 22 of the 1949 Convention.
- (5) Subject to subregulations (1) and (2) and regulation 46, a trade licence issued under regulation 43(1) may be used only for driving—
  - (a) an unregistered non-left-hand drive vehicle in the course of delivery to a motor dealer or exhibitor;
  - (b) a non-left-hand drive vehicle for the purpose of presale demonstration to a potential customer;
  - (c) a non-left-hand drive vehicle for the purpose of mechanical test; or
  - (d) a non-left-hand drive vehicle for the purpose of examining, repairing or presale retrofitting the vehicle.
- (6) Subject to subregulations (1) and (2) and regulation 46, a trade licence issued under regulation 43(1A) may be used only for driving—
  - (a) an unregistered left-hand drive vehicle in the course of delivery to a motor dealer or exhibitor;
  - (b) a left-hand drive vehicle for the purpose of examining, repairing or presale retrofitting the vehicle; or
  - (c) an unregistered left-hand drive vehicle to a port or boundary control point for the purpose of re-export to a place outside Hong Kong.

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- (7) A vehicle must not be used under a trade licence for any purpose other than a purpose for which the vehicle is authorized by these regulations to be used under the licence.
- (8) When a non-left-hand drive vehicle is being used under a trade licence, the number of passengers carried in or on the vehicle must not exceed 2, except where the Commissioner has given permission in writing for the carrying of more than 2 passengers in which case the number of passengers must not exceed the number specified in the permit.
- (9) When a left-hand drive vehicle is being used under a trade licence—
  - (a) the driver of the vehicle must not be a person other than the holder of the trade licence or an authorized user; and
  - (b) no passenger may be carried in or on the vehicle.
- (10) When a left-hand drive vehicle is being used under a trade licence, the driver of the vehicle must, on request by any police officer or the Commissioner, immediately produce evidence that the vehicle was imported into Hong Kong not more than 12 months ago.”.

**10. Regulation 48 substituted**

Regulation 48—

**Repeal the regulation**  
**Substitute**

**“48. Register of journeys under trade licence**

- (1) The holder of a trade licence must maintain a register of all journeys made by vehicles in use under the trade licence.

- (2) The holder of a trade licence must ensure that—
  - (a) the register contains the particulars specified in Schedule 14; and
  - (b) unless otherwise specified in that Schedule, the particulars are entered clearly and legibly in the register before a journey starts.
- (3) A person who enters the particulars in the register must ensure that the particulars are entered clearly and legibly.
- (4) The holder of a trade licence must immediately produce the register maintained under subregulation (1) for inspection on request by any police officer or the Commissioner.
- (5) While driving a vehicle in use under a trade licence or being present and in charge of a non-left-hand drive vehicle in use under a trade licence by a prospective purchaser for the purpose of test or trial, an authorized user must—
  - (a) carry on board the vehicle a duplicate copy of—
    - (i) the register; or
    - (ii) if the register contains the particulars of more than 30 journeys made by vehicles in use under the trade licence, the part of the register that contains the particulars of the latest 30 journeys; and
  - (b) immediately produce that copy for inspection on request by any police officer or the Commissioner.
- (6) If a vehicle is constructed for use by 1 person only and is being used under a trade licence by a prospective purchaser for the purpose of test or trial, the holder of the trade licence must ensure that the duplicate copy of the register or the part of the register specified in

subregulation (5)(a) is kept on board the vehicle for inspection by any police officer or the Commissioner.”.

**11. Regulation 49 amended (closed road permits)**

- (1) After regulation 49(1)—

**Add**

- “(1A) A closed road permit may be issued to the holder of a trade licence for use in connection with the trade licence in relation to any vehicle that is in the possession of the holder in the course of the holder’s business as a manufacturer or repairer of or dealer in vehicles.
- (1B) Without affecting subregulation (1), a closed road permit issued under subregulation (1A) is subject to the conditions specified in subregulations (1C) and (1D).
- (1C) A closed road permit issued under subregulation (1A) may be used only for driving—
  - (a) an unregistered non-left-hand drive vehicle in the course of delivery to a motor dealer or exhibitor;
  - (b) an unregistered non-left-hand drive vehicle to or from a place outside Hong Kong for the purpose of repairing or presale retrofitting the vehicle; or
  - (c) an unregistered left-hand drive vehicle to a port or boundary control point for the purpose of re-export to a place outside Hong Kong.
- (1D) A motor vehicle in use in connection with a trade licence under a closed road permit issued under subregulation (1A) may only be driven on a closed road within a boundary control point specified in the permit.”.

- (2) Regulation 49—

**Repeal subregulation (3)**

**Substitute**

- “(3) No fee is to be charged for the issue of a closed road permit except—
- (a) for a permit issued under subregulation (1) in respect of a closed road in Lantau;
  - (b) for a permit issued under subregulation (1) to a person who wishes to drive a motor vehicle to which the permit relates out of Hong Kong on a closed road; or
  - (c) for a permit issued under subregulation (1A).”.

**12. Regulation 50A amended (expressway permits)**

- (1) After regulation 50A(1)—

**Add**

“(1A) The holder of a trade licence or of a movement permit may also apply to the Commissioner for an expressway permit that authorizes the holder to—

- (a) drive on an expressway a relevant motor vehicle specified in the application; or
- (b) cause the relevant motor vehicle to be driven on an expressway by another person authorized by the holder.”.

- (2) After regulation 50A(4)—

**Add**

“(5) In subregulation (1A)—

*relevant motor vehicle* (有關汽車) means a motor vehicle described in subregulation (1) that may be used under the trade licence or the movement permit.”.

**13. Regulation 57 amended (cancellation of trade licences and permits)**

Regulation 57(1)—

**Repeal**

“person named in the licence or permit at the address specified in the licence or permit”

**Substitute**

“holder of the licence or permit at the address provided in the application for the licence or permit or at the holder’s address last known to the Commissioner”.

**14. Regulation 60 amended (offences)**

- (1) Regulation 60(1), before “48”—

**Add**

“46A(2), (3), (4), (6), (7), (8) or (9),”.

- (2) Regulation 60(1)—

**Repeal**

“is liable to a fine of \$2,000”

**Substitute**

“is liable on conviction to a fine at level 1”.

- (3) Regulation 60(2)—

**Repeal**

“is liable to a fine of \$2,000”

**Substitute**

“is liable on conviction to a fine at level 1”.

- (4) Regulation 60(3)—

**Repeal**

everything after “commits an offence and”

**Substitute**

“is liable—

- (a) on conviction to a fine at level 1 and to imprisonment for 3 months; and
- (b) on a second or subsequent conviction under regulation 29(1), (2) or (4), to a fine at level 2 and to imprisonment for 6 months.”.

(5) Regulation 60(4)—

**Repeal**

“is liable to a fine of \$2,000”

**Substitute**

“is liable on conviction to a fine at level 1”.

(6) Regulation 60—

**Repeal subregulation (5)**

**Substitute**

“(5) If any vehicle is upon or used on any road in contravention of regulation 45, 46 or 47(1), (2), (3), (4)(c), (5), (6), (7), (8) or (9), the holder of the trade licence, the authorized user who is present and in charge of the vehicle in use under the trade licence by a prospective purchaser and the driver of the vehicle at the time of the contravention each commits an offence and is liable on conviction to a fine at level 1.”.

(7) After regulation 60(5)—

**Add**

“(5A) If any vehicle is upon or used on any road in contravention of regulation 47(4)(a) or (b), the holder of the trade licence commits an offence and is liable on conviction to a fine at level 1.

(5B) The driver of a vehicle who contravenes regulation 47(10) commits an offence and is liable on conviction to a fine at level 1.”.

(8) After regulation 60(6)—

**Add**

“(6A) A person who knowingly makes any false or misleading entry—

(a) in a record of authorization maintained under regulation 46A(7); or

(b) in a register of journeys maintained under regulation 48,

commits an offence and is liable on conviction to a fine at level 1.”.

**15. Schedule 2 amended (fees)**

Schedule 2, Permit and Certificate Fees, after item 5—

**Add**

“5A. Closed road permit issued under regulation 49(1A) for use in connection with a trade licence

540”.

**16. Schedule 4 amended (provisions as to display of registration marks and plates)**

Schedule 4, Chinese text, paragraph 1(b)(ii)—

**Repeal**

“數字” (wherever appearing)

**Substitute**

“數目字”.

**17. Schedule 9 amended (particulars to be entered on permits issued under Part VIII)**

(1) Schedule 9, item 1—

**Repeal**

“Address of permit holder”.

- (2) Schedule 9, item 1—  
**Repeal**  
“Vehicle registration mark”  
**Substitute**  
“Vehicle registration mark, trade plate number or movement permit number”.
- (3) Schedule 9, item 2—  
**Repeal**  
“Address of permit holder”.
- (4) Schedule 9, item 3—  
**Repeal**  
“Address of permit holder”.
- (5) Schedule 9, item 4—  
**Repeal**  
“Address of permit holder”.
- (6) Schedule 9, item 7—  
**Repeal**  
“Address of owner”.
- (7) Schedule 9, item 10—  
**Repeal**  
“Address of permit holder”.
- (8) Schedule 9, item 10—  
**Repeal**  
“Vehicle registration mark”  
**Substitute**  
“Vehicle registration mark, movement permit number or chassis number (if the vehicle is used under a trade licence)”.

**18. Schedules 12, 13 and 14 added**

After Schedule 11—

**Add**

**“Schedule 12** [reg. 46A(3)(b)]

**Particulars to be contained in written  
authorization**

1. Number of the trade plate issued in respect of the trade licence
2. Validity period of the trade licence
3. Name of the licence holder
4. Emergency telephone number of the licence holder
5. Business name as shown in the Business Registration Certificate (if applicable) held by the licence holder
6. Business address of the licence holder
7. Business Registration Certificate number (if applicable)
8. Purpose for which the written authorization is given
9. Particulars of the authorized user—
  - (a) Name
  - (b) Hong Kong identity card number
  - (c) Date on which the authorized user began to be employed by the licence holder
  - (d) Position currently held

10. Particulars of all the persons designated by the licence holder under regulation 46A(5)—
- (a) Names
  - (b) Respective dates on which they began to be employed by the licence holder
  - (c) Positions currently held
  - (d) Specimen signatures
- 

**Schedule 13** [reg. 46A(7)]

**Particulars to be contained in record of authorization**

- 1. Number of the trade plate issued in respect of the trade licence
- 2. Validity period of the trade licence
- 3. Name of the licence holder
- 4. Business name as shown in the Business Registration Certificate (if applicable) held by the licence holder
- 5. Business Registration Certificate number (if applicable)
- 6. Particulars of the authorized user—
  - (a) Name
  - (b) Hong Kong identity card number
  - (c) Serial number of the written authorization

- (d) Date on which the authorized user began to be employed by the licence holder
  - (e) Position currently held
7. Particulars of all the persons designated by the licence holder under regulation 46A(5)—
- (a) Names
  - (b) Hong Kong identity card numbers
  - (c) Respective dates on which they began to be employed by the licence holder
  - (d) Positions currently held
  - (e) Specimen signatures
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**Schedule 14** [reg. 48(2)]

**Particulars to be contained in register of journeys**

- 1. Number of the trade plate issued in respect of the trade licence
- 2. Validity period of the trade licence
- 3. Name of the licence holder
- 4. Particulars of the journey—
  - (a) Date
  - (b) Time and place at which the journey is to be started
  - (c) Time and place at which the journey finished (to be completed as soon as practicable after the journey)
  - (d) Purpose

5. Particulars of the vehicle used—
  - (a) Make
  - (b) Type of vehicle
  - (c) Chassis number, engine number or registration mark
6. If the vehicle is to be used by an authorized user, the following particulars of the authorized user—
  - (a) Name
  - (b) Driving licence number (need not be specified in the duplicate copy of the register)
7. If the authorized user has obtained the approval of a person designated by the licence holder or the approval of the licence holder under regulation 46A(4), the name and signature of the designated person or the licence holder
8. If the vehicle is a non-left-hand drive vehicle and the trade licence is to be used by a prospective purchaser for the purpose of test or trial, the following particulars of the prospective purchaser—
  - (a) Name
  - (b) Driving licence number (need not be specified in the duplicate copy of the register)".



Secretary for Transport and Housing

7 May 2012

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### Explanatory Note

The main purpose of this Regulation is to amend the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E) (*the principal Regulations*) so as—

- (a) to provide for issuance of trade licences for use on left-hand drive vehicles for re-export to a place outside Hong Kong;
  - (b) to provide for issuance of closed road permits and expressway permits for vehicles in use under a trade licence; and
  - (c) to strengthen control over the use of trade licences.
2. Section 1 provides for the commencement of the Regulation.
3. Section 3 adds new definitions to regulation 2 of the principal Regulations.
4. Section 4 adds a new subregulation (1A) to regulation 43 of the principal Regulations. The new subregulation (1A) empowers the Commissioner for Transport (*the Commissioner*) to issue trade licences for use on left-hand drive vehicles imported to Hong Kong for re-export to a place outside Hong Kong.
5. Section 5 adds a new subregulation (2A) to regulation 44 of the principal Regulations to specify the colour requirement for trade plates displayed on left-hand drive vehicles in use under a trade licence.
6. Section 6 replaces regulation 45 of the principal Regulations with a new regulation to specify new requirements in relation to display of trade plates on vehicles in use under a trade licence.
7. Section 7 amends regulation 46 of the principal Regulations to clarify that only a prospective purchaser is allowed to drive a non-left-hand drive vehicle in use under a trade licence for the purpose of test or trial.

8. Section 8 adds a new regulation 46A to deal with authorizations given by holders of trade licences and records of authorizations maintained by holders of trade licences.
9. Section 9 replaces regulation 47 of the principal Regulations with new regulation 47 to provide for additional limitations in relation to the use of trade licences.
10. Section 10 replaces regulation 48 of the principal Regulations with a new regulation 48 to provide for additional requirements in relation to a register of journeys made under a trade licence.
11. Section 11 adds a new subregulation (1A) to regulation 49 of the principal Regulations to empower the Commissioner to issue a closed road permit for driving a vehicle in use under a trade licence on a closed road within a boundary control point specified in the permit.
12. Section 12 adds a new subregulation (1A) to regulation 50A of the principal Regulations to enable an expressway permit to be issued for driving a vehicle in use under a trade licence or movement permit.
13. Section 13 amends regulation 57(1) of the principal Regulations in respect of the address at which a notice of cancellation may be given to the holder of a licence or permit.
14. Section 14 amends the offence provisions in regulation 60 of the principal regulations to provide that contravention of certain new provision or requirement in regulations 46A, 47 and 48 is an offence punishable by a maximum fine at level 1 (\$2,000).
15. Section 15 adds a new item 5A to Schedule 2 to the principal Regulations under the subheading of Permit and Certificate Fees. The new item 5A provides for the fee payable in respect of issuing a closed road permit for all motor vehicles in use under a trade licence.
16. Section 16 makes technical amendments to the Chinese text of Schedule 4 to the principal Regulations.

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17. Section 17 amends Schedule 9 to the principal Regulations—
- (a) to remove the requirement for specifying the address of a permit holder on various permits;
  - (b) to provide that a vehicle registration mark, a trade plate number or movement permit number must be entered on closed road permits; and
  - (c) to provide that a vehicle registration mark, movement permit number or chassis number must be entered on expressway permits.
18. Section 18 adds new Schedules to the principal Regulations to set out particulars to be contained—
- (a) in a written authorization (new Schedule 12);
  - (b) in a record of authorization (new Schedule 13); and
  - (c) in a register of journeys (new Schedule 14).