

## LEGISLATIVE COUNCIL BRIEF

### **Import and Export Ordinance (Cap. 60)** **IMPORT AND EXPORT (FEES) (AMENDMENT) REGULATION** **2013**

#### **INTRODUCTION**

Section 31(1)(x) of the Import and Export Ordinance (Cap. 60) provides that the Chief Executive in Council may make regulation for prescribing fees to be collected by the Director-General of Trade and Industry in respect of any matter arising under that Ordinance. Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) provides that the Financial Secretary (which by virtue of section 3 of Cap. 1 also means the Secretary for Financial Services and the Treasury) may vary the amounts of fees which have previously been set by subsidiary legislation made by the Chief Executive in Council.

2. Under the above provisions, the Secretary for Financial Services and the Treasury has made the Import and Export (Fees) (Amendment) Regulation 2013 (“Amendment Regulation”) at **Annex A** to revise the amounts of certain fees specified in the Schedule to the Import and Export (Fees) Regulations (Cap. 60 sub. leg. B).

A

#### **JUSTIFICATIONS**

3. It is government policy that fees charged by the Government for various services should in general be set at levels sufficient to recover the full costs of providing the services. A recent review on strategic commodities-related fees, conducted by updating the full costs of the items using the Government Consumption Expenditure Deflator<sup>1</sup>, concludes that the fees for two items payable under the Import and Export (Fees) Regulations, namely, “Delivery Verification Certificate” and

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<sup>1</sup> The forecasted Government Consumption Expenditure Deflator for 2012 is +4.0%.

“International Import Certificate”, are not adequate to recover the full costs of providing the relevant services. Fee increases for these two items in 2012-13 are therefore proposed. Details of the proposed adjustments are set out at **Annex B**.

B

## **THE AMENDMENT REGULATION**

4. To meet the increased cost of providing the relevant services at the 2012-13 price level, the Amendment Regulation provides for about 10% increase in fees for the two items referred to in paragraph 3 above. A gradual approach to achieve full cost recovery within one to three years through an annual fee increase by about 10% has been followed.

## **LEGISLATIVE TIMETABLE**

5. The legislative timetable of the Amendment Regulation is as follows –

Publication in the Gazette	25 January 2013
Tabling at the Legislative Council	30 January 2013
Commencement	22 March 2013

## **EFFICIENCY INITIATIVES**

6. The Trade and Industry Department reviews regularly the relevant work procedures and where possible implements appropriate efficiency initiatives with a view to reducing or containing the cost of providing services. Efficiency savings have been reflected in the proposed fee adjustments.

## **IMPLICATIONS OF THE PROPOSALS**

7. We estimate that the proposed fee adjustments will result in an increase of \$970 in revenue per annum. Given that the proposed fee adjustments are not significant, we expect that they will have little impact

on business operating costs. The Amendment Regulation does not affect the current binding effect of the Import and Export Ordinance and the Import and Export (Fees) Regulations.

## **PUBLIC CONSULTATION**

8. We consulted the Panel on Commerce and Industry of the Legislative Council on 18 December 2012. The Panel supported the proposed fee adjustments.

## **PUBLICITY**

9. The Amendment Regulation will be published in the Gazette on 25 January 2013. A spokesman will be available to handle enquiries.

## **ENQUIRIES**

10. For enquiries on this brief, please contact Ms Jerry JI, Assistant Secretary for Commerce and Economic Development on 2810 3029.

**Commerce and Economic Development Bureau**  
**January 2013**

## Import and Export (Fees) (Amendment) Regulation 2013

(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 31 of the Import and Export Ordinance (Cap. 60))

### 1. Commencement

This Regulation comes into operation on 22 March 2013.

### 2. Import and Export (Fees) Regulations amended

The Import and Export (Fees) Regulations (Cap. 60 sub. leg. B) are amended as set out in section 3.

### 3. Schedule amended (scale of fees)

(1) The Schedule, item 10A—

**Repeal**

“260”

**Substitute**

“285”.

(2) The Schedule, item 10C—

**Repeal**

“87”

**Substitute**

“96”.



Secretary for Financial Services and  
the Treasury

17 January 2013

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**Explanatory Note**

This Regulation amends the Import and Export (Fees) Regulations (Cap. 60 sub. leg. B) to adjust the following fees payable under the Import and Export Ordinance (Cap. 60)—

- (a) the fee for the issue of a delivery verification certificate for the certification of delivery of strategic commodities into Hong Kong;
- (b) the fee for the issue of an international import certificate.

## Annex B

### Proposed Adjustments to Strategic Commodities-related Fees under the Import and Export (Fees) Regulations (Cap. 60B)

<b>Item</b>	<b>Existing Fee</b>	<b>Full Unit Cost at 2012-13 Price Level</b>	<b>Proposed Fee</b>	<b>Proposed Amount of Increase</b>	<b>Proposed Percentage Increase</b>
	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>	<b>(\$)</b>
1. Fee for issue of a delivery verification certificate for the certification of delivery of strategic commodities into Hong Kong	260	325	285	25	9.6%
2. Fee for issue of an international import certificate	87	114	96	9	10.3%