

**Bills Committee on Promotion of Recycling and Proper Disposal
(Electrical Equipment and Electronic Equipment) (Amendment) Bill 2015**

**List of follow-up actions arising from the discussion
at the meeting on 22 June 2015**

Provision of recycling label and receipt

1. Under the proposed section 35(2) under the Bill, if a seller distributes any regulated electrical equipment ("REE") to a consumer, the seller is required, under the proposed section 35(2)(a), to provide to the consumer a recycling label that is appropriate for the equipment. Further, according to the Administration's view that was expressed at the meeting, it seems to be the Administration's policy intent that a supplier who distributes an item of REE to a consumer directly in Hong Kong will also be required to satisfy the said requirement. Given that "supplier" and "seller" are respectively defined in the Bill and, according to the respective definitions, a supplier may not satisfy the requirements of a seller, the Administration is requested to consider whether it is necessary to amend the proposed section 35 and/or any other relevant provision with a view to reflecting the said policy intent clearly in respect of the duty to provide the recycling label.

2. According to the proposed section 35(4), providing REE to an owner or tenant of a residential property under an agreement for sale and purchase, tenancy agreement or renovation agreement (all referred to as "Agreement" below), for the property without charging specifically for the equipment does not constitute distributing the equipment. As it is not uncommon for property developers or landlords to provide REE as a package in the course of sale, letting or renovation of a residential property, the Administration is requested to elaborate on the charging of recycling fee as well as the provision of recycling label and receipt under the following situations –

- (a) property developers or landlords import REE directly from an overseas manufacturer, and exhibit the equipment in a residential property for business purposes or provide the equipment to an owner or tenant of a residential property under an Agreement, for the property without charging specifically for the equipment; and
- (b) property developers or landlords purchase REE from a registered supplier in Hong Kong and provide the equipment to an owner or tenant of a residential property under an Agreement, for the property without charging specifically for the equipment.

3. In respect of the proposed section 36, the Administration is requested to explain how the recycling labels of a particular class of REE will be provided by the Director of Environmental Protection ("the Director") to registered suppliers under the proposed section 36(1), or a person who requests to be provided with the labels under the proposed section 36(3).

4. According to the Administration, the amount of the recycling fee to be paid by a person who requests for a recycling label of a particular class of REE pursuant to the proposed section 36(3) will be the same as the amount of the recycling fee which is payable under the proposed section 37(1) in respect of a piece of REE that belongs to the same class of the recycling label as requested. Given that the recycling fee is payable only once in respect of any REE pursuant to the proposed section 37(2) and with a view to avoiding the public to perceive the aforesaid situation as "double-charging" in respect of a piece of REE, the Administration is requested to –

- (a) advise the policy and legislative intent in respect of the application of the proposed section 36(3) and the circumstances that the proposed section is intended to be applicable to, such as the situations where a supplier (or any person) will be required to pay the recycling fee under the proposed section 36(3)(b) in respect of a piece of REE and whether the person making the request will be required to provide any justifications for the request;
- (b) advise how a request made pursuant to the proposed section 36(3) will be dealt with if the request is supported by evidence that a recycling fee for the piece of REE concerned has already been paid pursuant to the proposed section 37;
- (c) consider setting out the circumstances which are stated in the Administration's response to paragraph (a) above in the proposed section 36 or any other part of the Bill which the Administration thinks fit with a view to reflecting the policy intent in the Bill; and
- (d) advise the design of the recycling label.

Definition of "supplier" and "distribute"

5. The Administration is requested to clarify, in the light of the proposed definitions of "supplier" and "distribute" in the Bill and the nature of services provided by logistics companies (in particular, services for transporting an item of REE from a person to another which involve an exchange or a disposal of REE for consideration (e.g. postage or freight charges) in Hong Kong), whether

a courier (or its company) that provides the aforesaid services will constitute distributing any REE and whether a logistics company that provides such courier services will fall under the definition of "supplier" and hence will have to pay or will have paid a recycling fee for the equipment.

Computation of recycling fee

6. According to the proposed section 37(1) under the Bill, a recycling fee is payable in respect of a piece of REE if the equipment satisfies any requirement under the proposed section 37(1)(a) and if the registered supplier concerned satisfies any requirement under the proposed section 37(1)(b). The Administration is requested to advise whether and how the quantities of REE to be imported to or manufactured in Hong Kong by registered suppliers will be verified against the periodic returns to be submitted by registered suppliers to the Director for computation of the recycling fees payable.

Council Business Division 1
Legislative Council Secretariat
17 July 2015