LEGISLATIVE COUNCIL BRIEF

Chinese Nationality (Miscellaneous Provisions) Ordinance (Chapter 540)

CHINESE NATIONALITY (MISCELLANEOUS PROVISIONS) ORDINANCE (AMENDMENT OF SCHEDULE) ORDER 2014

INTRODUCTION

At the meeting of the Executive Council on 25 November 2014, the Council ADVISED and the Chief Executive ORDERED that the Chinese Nationality (Miscellaneous Provisions) Ordinance (Amendment of Schedule) Order 2014 (the Order), at **Annex**, should be made under section 7 of the Chinese Nationality (Miscellaneous Provisions) Ordinance (Cap. 540) (the Ordinance), to increase the prescribed fees payable on making applications for naturalization as a Chinese national.

JUSTIFICATIONS

- 2. Fees are payable for making naturalization applications under the Ordinance. The fees set out in the Schedule to the Ordinance were first introduced in July 1997 when the Ordinance came into force. In accordance with section 7 of the Ordinance, the Chief Executive in Council may by order amend the Schedule.
- 3. It is government policy that fees charged by the Government should in general be set at levels sufficient to recover the full cost of providing the services. In the 2013-14 Budget Speech, the Financial Secretary emphasized the need to review fees and charges systematically for upholding the "user pays" principle, with priority given to those fees that had not been revised for years and did not directly affect people's livelihood, as well as items which had low cost recovery rates. The fees payable for applications for naturalization as a

Chinese national were last revised in 2006.

4. A recent costing review conducted at 2014-15 prices shows that the existing fees for processing applications for naturalization as a Chinese national only recover 89% of the full cost of providing the service. In order to achieve full cost recovery gradually and avoid a steep fee increase, we propose a 10% increase in the fees payable for these applications based on the government-wide general guidelines for fee increases. Details are set out below –

		Existing Fee (last revision date)	Cost recovery level at 2014-15 price level	Proposed Fee	Proposed Revision (rate of increase)	Cost Recovery Rate after the Proposed Revision
(a)	Application for naturalization as a Chinese national – on application	\$1,570 (Jun 2006)	89%	\$1,730	+\$160 (10%)	98%
(b)	Application for naturalization as a Chinese national – on demand for a certificate	\$1,570 (Jun 2006)	89%	\$1,730	+\$160 (10%)	98%

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5. The Order amends item 1 of the Schedule to the Ordinance to revise the fees payable for applications for naturalization as a Chinese national under Article 7 of the Nationality Law of the People's Republic of China (Nationality Law). The fee under paragraph (a) is payable when the application is made

while that under paragraph (b) is payable on demand for a certificate to be issued under Article 16 of the Nationality Law. The Order provides that the proposed fee payable under paragraph (b) applies to an application made on or after the commencement of the Order. For an application made before the commencement of the Order, depending on when the application was or is made, a different transitional fee applies.

LEGISLATIVE TIMETABLE

6. The legislative timetable is as follows –

Publication in the Gazette 5 December 2014
Tabling at the Legislative Council 10 December 2014
Commencement 9 February 2015

IMPLICATIONS OF THE PROPOSAL

- 7. The Order is in conformity with the Basic Law, including the provisions concerning human rights. It has no civil service, economic, family, environmental or sustainability implications, and will not affect the current binding effect of the Ordinance.
- 8. The Immigration Department (ImmD) regularly reviews its operational systems to enhance cost effectiveness as well as the quality of services. Measures including applying information technology to streamline work flow, downgrading posts and increasing productivity have been taken to control costs and to enhance efficiency since the last fee revision exercise in 2005-06. Efficiency savings from these efforts have been factored into the calculation of the fees to be charged by ImmD for the provision of their services.
- 9. Additional revenue arising from the fee increase is estimated to be around \$590,000 per annum.

PUBLIC CONSULTATION

10. The Administration issued a paper to the Legislative Council Panel on Security in June 2014 on proposals to revise 26 fees and charges (24 statutory and two administrative) for services under the purview of ImmD, which

included the two fees payable for application for naturalization as a Chinese national. Members of the Panel raised no objection to the proposals.

PUBLICITY

11. A press release will be issued and a spokesperson will be available for answering media enquiries.

ENQUIRIES

12. For enquiries on this brief, please contact Ms Amy WONG, Principal Assistant Secretary for Security, at 2810 2330.

Security Bureau December 2014

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Section 1

1

Chinese Nationality (Miscellaneous Provisions) Ordinance (Amendment of Schedule) Order 2014

(Made by the Chief Executive in Council under section 7 of the Chinese Nationality (Miscellaneous Provisions) Ordinance (Cap. 540))

1. Commencement

This Order comes into operation on 9 February 2015.

2. Chinese Nationality (Miscellaneous Provisions) Ordinance amended

The Chinese Nationality (Miscellaneous Provisions) Ordinance (Cap. 540) is amended as set out in section 3.

3. Schedule amended (fees)

(1) The Schedule, item 1, column 3, paragraph (a)—

Repeal

"\$1,570"

Substitute

"\$1,730".

(2) The Schedule, item 1, column 3—

Repeal paragraph (b)

Substitute

- "(b) the following amount is payable on demand for a certificate to be issued under Article 16—
 - (i) \$1,365 (for an application made before 19 June 2006);

Annex

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Section 3

2

- (ii) \$1,570 (for an application made on or after 19 June 2006 but before 9 February 2015);
- (iii) \$1,730 (for an application made on or after 9 February 2015).".

Clerk to the Executive Council

COUNCIL CHAMBER

2014

Chinese Nationality (Miscellaneous Provisions) Ordinance (Amendment of Schedule) Order 2014

Explanatory Note Paragraph 1

3

Explanatory Note

The object of this Order is to amend the Schedule to the Chinese Nationality (Miscellaneous Provisions) Ordinance (Cap. 540) to revise the fees payable for applications for naturalization as a Chinese national under Article 7 of the Nationality Law of the People's Republic of China.