

LEGISLATIVE COUNCIL BRIEF

Road Traffic Ordinance
(Chapter 374)

ROAD TRAFFIC (REGISTRATION AND LICENSING OF VEHICLES) (AMENDMENT) REGULATION 2015

INTRODUCTION

Section 6(2)(a) of the Road Traffic Ordinance (Cap. 374) stipulates that the Chief Executive in Council may make regulations to provide for the fees that may be charged for registration, licensing, permits, certificates of fitness and extracts from the register and the waiving, exemption, reduction or refund of fees. Section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) stipulates that, where a fee is for the time being specified in subsidiary legislation made by the Chief Executive in Council, the Financial Secretary (which means also the Secretary for Financial Services and the Treasury by virtue of section 3 of Cap. 1) may by similar subsidiary legislation vary the amount of the fee or charge.

A 2. The Secretary for Financial Services and the Treasury has made the Road Traffic (Registration and Licensing of Vehicles) (Amendment) Regulation 2015 (“the Amendment Regulation”) at **Annex A** under section 29A of the Interpretation and General Clauses Ordinance (Cap. 1) by virtue of section 6(2)(a) of the Road Traffic Ordinance (Cap. 374). This amendment exercise aims to revise the fees of seven items relating to road traffic under the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E) (“the Regulations”).

JUSTIFICATIONS

3. In line with the “user pays” principle, it is Government’s policy that fees and charges of government services should in general be set at a level sufficient to recover the full cost of providing the services. Nevertheless, some fees and charges have not been revised in recent years.

4. In the 2013-14 Budget Speech, the Financial Secretary indicated that we needed a systematic review of fees and charges and should first deal with fees which had not been revised for years and did not directly affect people’s livelihood.

5. In order to achieve full cost recovery gradually and to avoid a steep fee increase, the following guidelines for the fee revision have been adopted:

- (a) for existing cost recovery rate of less than 40%, adopt an increase of about 20%;
- (b) for existing cost recovery rate between 40% to 70%, adopt an increase of about 15%;
- (c) for existing cost recovery rate of over 70%, adopt an increase of about 10% or lower; and
- (d) for fees which are recovering more than the full cost, adjust downward to full cost recovery.

6. Based on the outcome of a costing review and in the light of the above guidelines, we propose to increase the fees of seven items relating to road traffic provided by the Transport Department (“TD”). The proposed increases range from +10% to +20%. Details are set out at **Annex B**.

B

7. We will ensure that the costs of all fee and charge items relating to road traffic will be reviewed regularly and fee revision proposals introduced as and when necessary. The TD will continue to enhance working efficiency and streamline procedures so as to contain the costs of the fee items concerned.

THE AMENDMENT REGULATION

8. The Amendment Regulation at **Annex A** seeks to revise the fees under the Regulations set out at **Annex B**. We propose that the fee revisions should come into effect on 20 July 2015.

LEGISLATIVE TIMETABLE

9. The legislative timetable is set out below –

Publication in the Gazette	15 May 2015
Tabling at the Legislative Council	20 May 2015
Commencement	20 July 2015

IMPLICATIONS OF THE PROPOSAL

10. The proposed revision of seven government fees will result in a net increase in revenue of around \$0.75 million per annum. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It does not affect the current binding effect of the Road Traffic Ordinance. The proposal has no civil service, family, sustainability, productivity, economic, environmental and gender implications.

PUBLIC CONSULTATION

11. We consulted the Legislative Council Panel on Transport on 27 February 2015. Members generally supported the proposed fee revisions.

PUBLICITY

12. A spokesperson will be available to answer media and public enquiries.

ENQUIRIES

13. Enquiries about this brief could be addressed to Miss Amy Chan, Principal Assistant Secretary for Transport at 3509 8196.

Transport and Housing Bureau
13 May 2015

Road Traffic (Registration and Licensing of Vehicles) (Amendment) Regulation 2015

(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(2) of the Road Traffic Ordinance (Cap. 374))

1. Commencement

This Regulation comes into operation on 20 July 2015.

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 section 3.

3. Schedule 2 amended (fees)

- (1) Schedule 2, before heading “Annual Licence Fees”—

Repeal

“83”

Substitute

“91”.

- (2) Schedule 2, before heading “Annual Licence Fees”—

Repeal

“10”

Substitute

“12”.

- (3) Schedule 2, before heading “Annual Licence Fees”—

Repeal

“65”

Substitute

“75”.

- (4) Schedule 2, under heading “Annual Licence Fees”, item 10—

Repeal

“12”

Substitute

“14”.

- (5) Schedule 2, under heading “Annual Licence Fees”, item 13—

Repeal

“50”

Substitute

“55”.

- (6) Schedule 2, under heading “Permit and Certificate Fees”, item 8—

Repeal

“155”

Substitute

“170”.

- (7) Schedule 2, under heading “Permit and Certificate Fees”, item 9—

Repeal

“560”

Substitute

“670”.

Secretary for Financial Services and
the Treasury

2015

Explanatory Note

This Regulation amends Schedule 2 to the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E) to increase the following fees payable under those Regulations and specified in that Schedule—

- (a) the fee for the registration of a motor vehicle;
- (b) the fee for a duplicate vehicle licence for a rickshaw;
- (c) the fee for a duplicate trade licence or permit;
- (d) the fee for a vehicle licence for an invalid carriage;
- (e) the fee for a vehicle licence for a rickshaw;
- (f) the fee for an excess passengers permit; and
- (g) the fee for a movement permit.

Annex B

Proposed revision to fees and charges relating to road traffic

	Fees with brief descriptions	Existing fee level (\$)	Existing cost recovery rate (%)	Proposed fee level (\$) (Proposed change in percentage)	Cost recovery rate after fee revision (%)
1.	<p>Registration fee (under Schedule 2 to the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E))</p> <p><i>Brief description:</i> Fee for registration of a motor vehicle under regulation 5 of Cap. 374E</p>	83	82%	91 (+10%)	90%
2.	<p>Fee for duplicate trade licence or permit (under Schedule 2 to Cap. 374E)</p> <p><i>Brief description:</i> Fee for the issue of a duplicate trade licence or permit under regulation 59(2) of Cap. 374E</p>	65	62%	75 (+15%)	71%
3.	<p>Annual licence fee for invalid carriage (under Schedule 2 to Cap. 374E)</p> <p><i>Brief description:</i> Fee for the issue of a vehicle licence for 12 months for an invalid carriage under regulation 21(1) of Cap. 374E</p>	12	20%	14 (+17%)	24%
4.	<p>Annual licence fee for rickshaw (under Schedule 2 to Cap. 374E)</p> <p><i>Brief description:</i> Fee for the issue of a vehicle licence for 12 months for a rickshaw under regulation 40(1) of Cap. 374E</p>	50	80%	55 (+10%)	88%

	Fees with brief descriptions	Existing fee level (\$)	Existing cost recovery rate (%)	Proposed fee level (\$) (Proposed change in percentage)	Cost recovery rate after fee revision (%)
5.	Duplicate vehicle licence fee in the case of a rickshaw (under Schedule 2 to Cap. 374E) <i>Brief description:</i> Fee for the issue of a duplicate vehicle licence for rickshaw under regulation 59(1) of Cap. 374E	10	24%	12 (+20%)	29%
6.	Fee for Excess Passengers Permit (under Schedule 2 to Cap. 374E) <i>Brief description:</i> Fee for the issue of an excess passengers permit under regulation 52(1) of Cap. 374E	155	82%	170 (+10%)	90%
7.	Fee for Movement Permit (under Schedule 2 to Cap. 374E) <i>Brief description:</i> Fee for the issue of a movement permit under regulation 53(1) of Cap. 374E	560	35%	670 (+20%)	42%