

## **LEGISLATIVE COUNCIL BRIEF**

### **Import and Export Ordinance (Cap. 60)** **IMPORT AND EXPORT (FEES) (AMENDMENT) REGULATION** **2015**

#### **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(1) of the Interpretation and General Clauses Ordinance (Cap. 1) provides that where the amount of any fee or charge is for the time being specified in, or otherwise fixed or determined by, subsidiary legislation made by the Chief Executive in Council, the Financial Secretary (which also means the Secretary for Financial Services and the Treasury under section 3 of Cap. 1) may by similar subsidiary legislation increase, decrease or vary the amount of the fee or charge.

2. Under the above provisions, the Secretary for Financial Services and the Treasury has made the Import and Export (Fees) (Amendment) Regulation 2015 (“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).

#### **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 fee review under the purview of the Trade and Industry Department (“TID”) concluded that the fees for two items under the Import and Export (Fees) Regulations (namely the fees for the issue of a delivery verification certificate

("DVC") and that for an international import certificate ("IIC")) are not adequate to recover the full costs of providing the relevant services. A fee increase for these two items in 2014-15 is therefore proposed. Details of the proposed adjustments are set out at **Annex B**.

## **THE AMENDMENT REGULATION**

4. To meet the increased cost of providing the relevant services at the 2014-15 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	16 January 2015
Tabling at the Legislative Council	21 January 2015
Commencement	20 March 2015

## **EFFICIENCY INITIATIVES**

6. TID 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 about \$1,000 in revenue per annum. The amount of the increase in revenue is insignificant because the number of applications for DVC and IIC is small. 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. In October 2014, we informed the Panel on Commerce and Industry of the Legislative Council of the proposals to adjust the relevant fees, and have received no comment from the Panel.

## **PUBLICITY**

9. The Amendment Regulation will be published in the Gazette on 16 January 2015. 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 2015**

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

### **1. Commencement**

This Regulation comes into operation on 20 March 2015.

### **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**

“315”

#### **Substitute**

“345”.

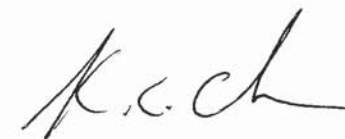
(2) The Schedule, item 10C—

#### **Repeal**

“105”

#### **Substitute**

“115”.



Secretary for Financial Services and  
the Treasury

9 January 2015

**Explanatory Note**

This Regulation amends the Import and Export (Fees) Regulations (Cap. 60 sub. leg. B) to increase—

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

**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 2014-15 Prices (\$)</b>	<b>Proposed New Fee (\$)</b>	<b>Proposed Amount of Increase (\$)</b>	<b>Proposed Percentage Increase</b>
1. Fee for issue of a delivery verification certificate for the certification of delivery of strategic commodities into Hong Kong	315	360	345	30	9.5%
2. Fee for issue of an international import certificate	105	126	115	10	9.5%