

立法會
Legislative Council

LC Paper No. CB(1)1218/16-17
(These minutes have been seen
by the Administration)

Ref : CB1/SS/9/16/1

**Subcommittee on Promotion of Recycling and Proper Disposal (Electrical
Equipment and Electronic Equipment) (Amendment) Ordinance 2016
(Commencement) Notice 2017 and Product Eco-Responsibility (Regulated
Electrical Equipment) Regulation**

**Minutes of second meeting
held on Tuesday, 23 May 2017, at 9:00 am
in Conference Room 1 of the Legislative Council Complex**

Members present : Ir Dr Hon LO Wai-kwok, SBS, MH, JP (Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon CHAN Hak-kan, BBS, JP
Dr Hon Priscilla LEUNG Mei-fun, SBS, JP
Hon Charles Peter MOK, JP
Hon KWOK Wai-keung
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP
Hon SHIU Ka-fai
Hon HUI Chi-fung
Dr Hon YIU Chung-yim

Members absent : Hon WONG Ting-kwong, SBS, JP
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Tanya CHAN

Public Officers attending : **For item I**
Mr Donald NG
Deputy Director of Environmental Protection (4)
Environmental Protection Department

Mr David WONG, JP
Assistant Director (Environmental Compliance)
Environmental Protection Department

Mr Samson LAI
Assistant Director (Waste Management Policy)
Environmental Protection Department

Mr Gary TAM
Senior Environmental Protection Officer (Territorial
Control) 4
Environmental Protection Department

Mr Manuel NG
Senior Government Counsel
Department of Justice

**Attendance by
invitation**

: For item I

Individual

Dr CHUNG Shan-shan

Environmental Association Limited

Mr Henry YAU
Research and Development Officer

Hong Kong Recycling Chamber of Commerce

Ms Shirley KWOK
名譽顧問

Ecycle Tech Limited

Mr Bill LAU
Business Manager

ALBA Integrated Waste Solutions (Hong Kong)

Mr Nigel MATTRAVERS
Director and General Manager

Qing Yuan Logistics Limited

Mr HO Lap-kei
General Manager

Wai Mei Dat Group
Mr KWOO Ho-yin
Financial Controller

Chung's Logistics Company Limited
Mr CHEN Zoudian
Director

Top Pro Consulting Limited
Mr Dennis CHU
Senior Consultant

Wing Fat Recycling Metals Company Limited
Mr KWOK Po-wah
Director

Hung Tat Recycle Resources Limited
劉美麗女士
董事

Individual
Mr CHIU Yun-wai

Liberal Party
Mr LEE Chun-keung
Vice Party Chair

Individual
Mr CHAU Gee-leung

Individual
Mr LEE Po-hong

Individual
Miss Elsie CHANG

Individual
Miss HUI Ching-lam

Individual
Mr MAN Chun-kit

Alpha Appliances Limited
Mr Ringo LI
Group General Manager

Hong Kong and Kowloon Electrical Appliances
Merchants Association Limited

Mr Kenneth MAN
Vice-Chairman

EcoSage Limited
Mr TAM Chun-kit
Founder

Clerk in Attendance : Ms Angel SHEK
Chief Council Secretary (1)1

Staff in attendance : Miss Evelyn LEE
Assistant Legal Adviser 10

Mr Jason KONG
Council Secretary (1)1

Miss Mandy POON
Legislative Assistant (1)1

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I. Meeting with deputations and the Administration

Meeting with deputations/individuals and the Administration

Submissions from deputations/individuals not attending the meeting

(LC Paper No. CB(1)985/16-17(05) — The Chamber of H.K. Computer Industry (Chinese version only)

LC Paper No. CB(1)985/16-17(06) — Apple Inc. (English version only) (Restricted to Members)

LC Paper No. CB(1)985/16-17(07) — Hong Kong General Association Of Re-Cycling Business (Chinese version only)

LC Paper No. CB(1)985/16-17(08) — Consumer Council (English version only)

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The Chairman welcomed representatives of deputations and individuals to the meeting. He reminded them that their written submissions provided to the Subcommittee and views presented at the meeting would not be covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

Presentation of views by deputations/individuals

2. At the invitation of the Chairman, a total of 21 deputations/individuals presented their views at the meeting.

(Post-meeting note: Five submissions from deputations/individuals on the subject received after issuance of the papers for the meeting were circulated to members via email on 23 May 2017.)

3. The Subcommittee deliberated (index of proceedings attached at the **Annex**).

Meeting with the Administration

Matters arising from previous meeting

(LC Paper No. CB(1)985/16-17(01) — List of follow-up actions arising from the discussion at meeting on 16 May 2017)

Relevant papers

(L.N. 73 of 2017 — Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 (Commencement) Notice 2017

LC Paper No. CB(1)934/16-17(01) — Provisions of the Proposed Resolution under section 44 of the Product Eco-responsibility Ordinance (Cap. 603)

File Ref: EP CR 9/150/28 — Legislative Council Brief

LC Paper No. LS58/16-17 — Legal Service Division Report

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- LC Paper No. LS65/16-17 — Legal Service Division Report
- LC Paper No. CB(1)934/16-17(02) — Background brief prepared by the Legislative Council Secretariat
- LC Paper No. CB(1)934/16-17(03) — Assistant Legal Adviser's letter dated 8 May 2017 to the Administration
- LC Paper No. CB(1)934/16-17(04) — Administration's reply to Assistant Legal Adviser's letter dated 8 May 2017
- LC Paper No. CB(1)934/16-17(05) — Submission from Information Technology Industry Council
- LC Paper No. CB(1)934/16-17(06) — Submission from Apple Inc. (English version only) (Restricted to Members))

4. The Subcommittee deliberated (index of proceedings attached at the **Annex**).

Follow-up actions to be taken by the Administration

Admin 5. The Administration was requested to provide a written response to the following enquiries/issues raised at the meeting:

- (a) implementation timetable of the new licensing regime in respect of e-waste¹ ("new licensing regime"), including (i) when the Administration would make public the detailed requirements and application procedures for a waste disposal licence in respect of e-waste, (ii) the estimated processing time for each application, (iii) when the Administration would introduce the relevant subsidiary legislation to bring into effect the remaining provisions of the Waste Disposal Ordinance (Cap. 354) ("WDO") relating to the new licensing regime, and (iv) when the prohibition against

¹ The term "e-waste" is added to the Waste Disposal Ordinance (Cap. 354) by section 12(3) of the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016. The term, in essence, refers to an abandoned piece of regulated electrical equipment that is specified in Schedule 6 to the Product Eco-responsibility Ordinance (Cap. 603).

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disposal (i.e. storage, treatment, reprocessing and recycling) of e-waste without a licence under section 16 of WDO would commence;

- (b) whether the Administration would consider deferring commencement of the prohibition against disposal of e-waste without a licence or introducing a grace period, so that the recycling trade would have more time to upgrade their facilities/operations in order to meet the relevant licensing requirements, and could continue to engage in e-waste recycling pending approval of their licence applications, and the reasons if the Administration would not consider so; and
- (c) the views and concerns expressed by the deputations/individuals at the meeting or in their written submissions.

(Post-meeting note: The Administration's responses were issued to members on 2 June 2017 vide LC Paper No. CB(1)1059/16-17(01).)

II. Any other business

Date of next meeting

6. The Chairman advised that the Subcommittee would continue to examine the provisions of the Product Eco-responsibility (Regulated Electrical Equipment) Regulation at the next meeting scheduled for Friday, 26 May 2017.

(Post-meeting note: As the Administration had requested to defer the meeting so as to allow more time for preparing its written responses on the issues arising from the meetings on 16 and 23 May 2017, the Chairman had subsequently directed that the next meeting be held on Friday, 2 June 2017 at 10:45 am. The notice of meeting was issued to members on 25 May 2017 vide LC Paper No. CB(1)1002/16-17.)

7. There being no other business, the meeting ended at 12:44 pm.

Subcommittee on Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 (Commencement) Notice 2017 and Product Eco-Responsibility (Regulated Electrical Equipment) Regulation

**Proceedings of the second meeting
on Tuesday, 23 May 2017, at 9:00 am
in Conference Room 1 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
<i>Agenda Item I — Meeting with deputations and the Administration</i>			
000611 – 001122	Chairman	Opening remarks	
001123 – 001428	Dr CHUNG Shan-shan	Presentation of views	
001429 – 001659	Environmental Association Limited	Presentation of views [LC Paper No. CB(1)985/16-17(02)]	
001700 – 002011	Hong Kong Recycling Chamber of Commerce	Presentation of views	
002012 – 002315	Ecycle Tech Limited	Presentation of views	
002316 – 002342	ALBA Integrated Waste Solutions (Hong Kong)	Presentation of views	
002343 – 002512	Qing Yuan Logistics Limited	Presentation of views	
002513 – 002710	Wai Mei Dat Group	Presentation of views [LC Paper No. CB(1)999/16-17(02)]	
002711 – 002956	Chung's Logistics Company Limited	Presentation of views	
002957 – 003303	Top Pro Consulting Limited	Presentation of views	
003304 – 003540	Wing Fat Recycling Metals Company Limited	Presentation of views	
003541 – 003807	Hung Tat Recycle Resources Limited	Presentation of views [LC Paper No. CB(1)999/16-17(03)]	
003808 – 004109	Mr CHIU Yun-wai	Presentation of views [LC Paper No. CB(1)985/16-17(03)]	

Time marker	Speaker	Subject(s)	Action required
004101 – 004319	Mr CHAU Gee-leung	Presentation of views [LC Paper No. CB(1)985/16-17(04)]	
004320 – 004626	Liberal Party	Presentation of views	
004627 – 004852	Mr LEE Po-hong	Presentation of views [LC Paper No. CB(1)999/16-17(04)]	
004853 – 005011	Miss Elsie CHANG	Presentation of views	
005012 – 005123	Miss HUI Ching-lam	Presentation of views	
005124 – 005317	Mr MAN Chun-kit	Presentation of views	
005318– 005330	Alpha Appliances Limited	Presentation of views	
005331 – 005539	Hong Kong and Kowloon Electrical Appliances Merchants Association Limited	Presentation of views [LC Paper No. CB(1)985/16-17(09)]	
005540– 005744	EcoSage Limited	Presentation of views	
005745 – 010720	Chairman Administration	<p>The Administration's responses to the views of the deputations/individuals:</p> <p><i>Consultation with the relevant trades</i></p> <p>(a) there had been extensive public discussions on the proposal to introduce the producer responsibility scheme on waste electrical and electronic equipment ("WPRS"), including the new licensing regime in respect of e-waste ("new licensing regime"), as early as in 2010 during the public consultation exercise;</p> <p>(b) since the enactment of the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 ("Amendment Ordinance") in March 2016, which established the regulatory framework for the implementation of WPRS, the Administration had arranged a series of briefing sessions for suppliers and sellers of regulated electrical equipment ("REE") to facilitate their understanding of their</p>	

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		<p>statutory obligations under WPRS;</p> <p>(c) the Administration had also stepped up its publicity efforts for recyclers and briefed them on the licensing requirements in respect of e-waste;</p> <p>(d) the Administration would continue to discuss the implementation details of WPRS with the trades, including whether a seller should be allowed to specify up to five collectors in his/her removal service plan as suggested by some deputations;</p> <p><i>Waste disposal licence in respect of e-waste</i></p> <p>(e) certain types of waste electrical and electronic equipment ("WEEE") or their parts (such as waste printed circuit boards) were classified as chemical waste, and the disposal of such parts without a licence was prohibited under the existing Waste Disposal Ordinance (Cap. 354) ("WDO"). Otherwise, disposal of WEEE was not subject to licensing control at present;</p> <p>(f) WPRS would extend the licensing control to the disposal of e-waste. The Administration intended to accept applications for waste disposal licences in respect of e-waste ("e-waste disposal licences") from 19 June 2017, i.e. the date on which sections 12 and 18 of the Amendment Ordinance would be brought into operation by the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 (Commencement) Notice 2017;</p> <p>(g) the objectives of the new licensing regime were to ensure proper disposal of e-waste and enhance the operation standards of local e-waste recycling. As such, licence applicants would need to demonstrate that their operations were conducted in environmentally sound procedures and met the standards required on the recycling rate of e-waste; and the sites concerned would need to satisfy certain safety and environmental conditions and comply with other relevant requirements, including those related to land use. However, it was not the intention that the recycling operations must be confined to premises standing on industrial zone;</p>	

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		<p><i>Local e-waste recycling market</i></p> <p>(h) both the operator of the Waste Electrical and Electronic Equipment Treatment and Recycling Facility ("WEEETRF") and other private e-waste recyclers would need to obtain e-waste disposal licences under the new licensing regime; and</p> <p>(i) as over 50 000 tonnes of e-waste were generated in Hong Kong annually, and the design capacity of WEEETRF was around 30 000 tonnes of e-waste per annum, there was room for existing and prospective recyclers to participate in the e-waste recycling market. If required, the treatment capacity of WEEETRF could be increased to up to 57 000 tonnes per annum by arranging additional shifts for the operation of the facility on a demand basis.</p>	
010721 – 012357	<p>Chairman Mr SHIU Ka-fai Administration Mr CHAN Hak-kan</p>	<p>Discussion on Mr SHIU and Mr CHAN's enquiries and suggestions as follows:</p> <p>(a) timeframe for WEEETRF to provide REE removal service and for a consumer of REE to make the relevant request;</p> <p>(b) potential impact of the removal service on REE sellers' operations;</p> <p>(c) requirements that a recycler should meet in order to obtain an e-waste disposal licence; and</p> <p>(d) whether the Administration would consider deferring commencement of the prohibition against disposal of e-waste without a licence under section 16 of WDO ("new licensing control") by three years.</p> <p>The Administration responded that it planned to introduce another commencement notice in the 2017-2018 legislative session to commence the new licensing control by end 2017. As the new licensing regime was part and parcel of WPRS, deferment of its implementation might have adverse implications.</p>	
012358 – 012908	<p>Chairman Dr YIU Chung-yim Administration</p>	<p>Dr YIU suggested that the Administration should review whether the development and operation of the government-funded WEEETRF might contravene the Competition Ordinance (Cap. 619).</p>	

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		The Administration reiterated that both the WEEETRF operator and other recyclers would need to obtain an e-waste disposal licence in order to engage in e-waste recycling. Their applications would be subject to the same set of licensing requirements and approval standards.	
012909 – 013205	Chairman Mr HUI Chi-fung Administration	Discussion on the licensing requirements for e-waste disposal licences.	
013206 – 013908	Chairman Dr Junius HO Administration	Discussion on Dr HO's suggestions on: (a) deferring the commencement of the new licensing control; (b) strengthening interdepartmental coordination to expedite approval of e-waste disposal licence applications; and (c) ensuring a level playing field in the e-waste recycling market.	
013909 – 015502	Chairman Administration	The Administration's elaboration on the licensing requirements for e-waste disposal licence and certain exclusions from the licensing regime provided under the Amendment Ordinance.	
015502 – 021006	Chairman Mr SHIU Ka-fai Administration Mr CHAN Hak-kan	In response to Mr SHIU's enquiries regarding section 40 of the proposed Product Eco-responsibility (Regulated Electrical Equipment) Regulation ("REE Regulation"), the Administration explained that: (a) in general terms, a consumer would be considered as having taken actual possession of distributed REE when the REE was delivered to the consumer; (b) section 40(1)(b) prescribed a time limit of three days for an REE consumer to make a request for removal service upon taking actual possession of the REE. However, this did not prevent the consumer from making the request earlier; and (c) it was expected that both consumers and sellers of REE would prefer to arrange the delivery of new REE to the consumers and removal of abandoned REE from the consumers' premises on the same day, and hence the removal service was unlikely to cause logistical problems for sellers.	

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		<p>The Chairman and Mr CHAN requested the Administration to provide supplementary information on the implementation timetable of the new licensing regime, and explain whether it would consider deferring commencement of new licensing control or introducing a grace period.</p> <p>Discussion on Mr CHAN's concerns about the possible advantages of WEEETRF over other recyclers, and measures (including financial assistance) to help existing recyclers overcome the licensing hurdles or transform their business.</p>	Admin (paragraph 5(a) and (b) of the minutes)
021007 – 021254	Chairman Mr SHIU Ka-fai Mr CHAN Hak-kan Mr HUI Chi-fung	Discussion on meeting arrangements.	
021255 – 022048	Chairman Dr Junius HO Top Pro Consulting Limited Administration	<p>Expression of the following views by member/deputation:</p> <p>(a) granting of exemptions or short-term waivers from certain statutory requirements (e.g. lease modification) to existing recyclers to help them overcome the licensing hurdles; and/or</p> <p>(b) introduction of a grace period for imposition of the new licensing control.</p>	
022049 – 022358	Chairman Mr HUI Chi-fung Administration	Discussion on the tendering process for the design-build-operate contract of WEEETRF.	
022359 – 023324	Chairman Mr SHIU Ka-fai Administration	<p>Further discussion on the timing for commencing the new licensing control.</p> <p>In response to Mr SHIU's enquiry, the Administration advised that at present, import and export of non-hazardous WEEE were allowed, while import and export of hazardous WEEE were subject to permit control under WDO. The prescribed application fee for a multiple shipment permit was around \$18,000, the maximum validity period of which was one year.</p>	
023325 – 024301	Chairman Mr CHAN Hak-kan Hong Kong Recycling Chamber of Commerce Top Pro Consulting Limited	<p>Expression of the following views by members/deputations:</p> <p>(a) the Administration should make public the requirements and application procedures for e-waste disposal licence expeditiously; and</p>	

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	Chung's Logistics Company Limited Administration	(b) the compliance costs associated with the new licencing control and the permit control for import/export of e-waste were disproportionate to the business scale of small recyclers.	
<i>Break (024302 – 024924)</i>			
024925 – 030122	Chairman Mr HUI Chi-fung Administration	<p>Mr HUI reiterated his suggestion that, similar to the existing arrangements in respect of energy labels, recycling labels should be affixed onto REE to enhance public awareness that recycling levies had been paid in respect of the REE before they decided to make the purchases.</p> <p>The Administration responded that it would put in place measures to enhance public understanding of WPRS, such as distributing publicity materials at the points of sale through REE sellers.</p> <p>The Administration emphasized that a recycling label had no bearing on the availability of statutory removal service for a consumer. Members of the public could dispose of WEEE not covered by a removal service through existing channels (such as Community Green Stations, private recyclers and other collection services).</p>	
030123 – 030652	Chairman Mr CHAN Hak-kan Administration	<p>Mr CHAN sought information on the expected recycling rate of WEEETRF and its treatment process of e-waste.</p> <p>The Administration responded that WEEETRF was expected to achieve a recycling rate of at least 80% by weight of e-waste received, which was a licensing requirement for an e-waste disposal licence. E-waste delivered to WEEETRF would undergo a series of detoxification, dismantling and recycling processes. Recyclable components would be shredded and separated as different raw materials (e.g. plastic and metals) for reuse. Hazardous components would undergo preliminary treatment at WEEETRF, and then transported to the relevant facilities, e.g. the Chemical Waste Treatment Centre, for further treatment.</p>	
030653 – 031023	Chairman Administration	Discussion on the planning requirements on land use in respect of e-waste disposal licences.	
031024 – 031809	Chairman Mr HUI Chi-fung Administration	Mr HUI considered that affixing recycling labels onto REE could facilitate consumers' utilization of the seller-arranged removal services. He indicated that he might propose amendments to the REE Regulation relating to the provision of recycling labels.	

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031810 – 032209	Chairman Mr CHAN Hak-kan Administration	In response to Mr CHAN's enquiry, the Administration advised that the WEEETRF operator would operate five regional collection centres and eight satellite centres to form a network for collection of e-waste. E-waste awaiting WEEETRF's treatment would be temporarily stored at these storage facilities.	
032210 – 032800	Chairman Administration Mr CHAN Hak-kan	Discussion on the timetable for bringing into operation the remaining provisions of the Amendment Ordinance, and the arrangements for the Subcommittee to examine the provisions of the REE Regulation.	
<i>Examination of the provisions of the Product Eco-responsibility (Regulated Electrical Equipment) Regulation [REE Regulation (LC Paper No. CB(1)934/16-17(01))]</i>			
032801– 034440	Chairman Mr CHAN Hak-kan Mr HUI Chi-fung Administration	<p><u><i>Product Eco-responsibility (Regulated Electrical Equipment) Regulation</i></u></p> <p><i>Sections 1 and 2</i></p> <p>In response to Mr CHAN's enquiry regarding the interpretation of "discrepancy list" in section 2, the Administration explained that if an auditor of a registered supplier identified any discrepancy between a return and the related records and documents regarding the quantity of REE during the audit process, the auditor must specify such discrepancy in a document which would be called a "discrepancy list". Overpayment or underpayment of recycling levies would be rectified upon the registered supplier's submission of the discrepancy list, together with the audit report, to the Director of Environmental Protection ("DEP").</p> <p><i>Sections 3 to 8</i></p> <p>Mr CHAN asked about the reasons for introducing short-term registration for REE suppliers. The Administration explained that the short-term registration was proposed based on the relevant deliberation at the Bills Committee for the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Bill 2015, and intended for suppliers who only operated the business of distributing REE in Hong Kong for a short period of time and in a limited scale, such as exhibition of REE conducted in Hong Kong by non-local exhibitors. While an ordinary registered supplier would need to submit quarterly returns to DEP, a short-term registered supplier would only need to submit a return covering the entire term of the short</p>	

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		<p>period of registration. The Administration also advised that it was given to understand that most exhibitors from overseas normally did not distribute REE during exhibitions in Hong Kong, and hence they would not need to apply for registration as registered suppliers.</p> <p>Members' enquiries and the Administration's response on the purpose of "recent short-term registration" and "intended short-term registration" in section 5(2) to (4), and the first cut-off dates for an ordinary registration in section 6(2).</p> <p><i>Section 9</i></p> <p>Mr HUI's enquiry and the Administration's response about the penalty for contravention of requirements relating to the provision of recycling labels.</p>	
<i>Agenda Item II — Any other business</i>			
034441 – 034548	Chairman Administration	Date of next meeting	