

**Product Eco-responsibility
(Regulated Electrical Equipment) Regulation**

This note provides supplementary information in response to the letter of the Assistant Legal Adviser dated 8 May 2017 in respect of the captioned Regulation (hereinafter referred to as “REE Regulation”).

Cancellation of registration under section 34 of Cap. 603

It is noted that sections 33 and 34 of the Product Eco-responsibility Ordinance (Cap. 603) (as added by section 9 of the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 (Ord. No. 3 of 2016)) provide for the registration of a supplier as a registered supplier and the cancellation of such registration respectively. It is also noted that the REE Regulation only provides for the operational details relating to the application for registration under section 33 of Cap. 603 but not for the cancellation of registration referred to in section 34 of Cap. 603. Please explain to Members how a cancellation of registration under section 34 of Cap. 603 will be dealt with.

2. Under the new¹ section 34 of the Product Eco-responsibility Ordinance (Cap. 603) (“PERO”), if the Director of Environmental Protection (“Director”) is satisfied that a registered supplier is no longer a supplier, the Director must cancel the registration of the supplier. This may happen when a registered supplier writes to the Environmental Protection Department (“EPD”) informing his/her intention to wind down his/her business as a supplier, or when EPD becomes aware of a potential case during the day-to-day administration of the scheme, e.g. cessation of submission of periodic returns by a registered supplier. EPD will take necessary follow-up actions in respect of each case including seeking supplementary information or verifying the state of business concerned and informing the supplier of the cancellation.

¹ References to a “new section” refer to provisions which have been added by section 9 of the Promotion of Recycling and Proper Disposal (Electrical Equipment and Electronic Equipment) (Amendment) Ordinance 2016 (Ord. No. 3 of 2016) but have not commenced operation.

Records which a registered supplier is required to keep

Section 15(2) of the REE Regulation provides that a registered supplier must keep records, invoices, receipts, delivery notes, inventory records or any other documents that contain sufficient details to enable the Director of Environmental Protection to readily verify the matters specified in section 15(3) of the REE Regulation in relation to a return which is required to be submitted under section 38 of Cap. 603 (as added by section 9 of Ord. No. 3 of 2016). According to section 38(4) and (7) of Cap. 603, failure to keep such documents is an offence. Please provide information on what such documents are and consider specifying them in the REE Regulation.

3. Under the new section 38(4) of the PERO, if a registered supplier submits a return in respect of a period in a calendar year, the supplier must keep the prescribed records and documents relating to the return during the 5 years after that year. The intention is to ensure that there will be documents providing sufficient details to enable the Director to readily verify the information contained in the periodic returns submitted under new section 38(1) of the PERO. Such documents primarily include “records”, “invoices”, “receipts”, “delivery notes”, “inventory records” in the day-to-day operation of a registered supplier but may also include other types of documents that contain the required details.

Wording contained in a receipt under section 35(2)(b) of Cap. 603 and section 28(2)(b) of the REE Regulation

According to section 35(2)(b) of Cap. 603 (as added by section 9 of Ord. No. 3 of 2016), a seller must provide, to a consumer, a receipt with the wording prescribed by the REE Regulation if the seller distributes any regulated electrical equipment (“REE”) to the consumer. Section 28(2)(b) of the REE Regulation provides that the receipt must contain the wording, in both the English and the Chinese languages, set out in Schedule 2 to the REE Regulation. It is noted that the heading of Schedule 2 reads “Wording Contained in Receipts”. It is also noted that an example of a receipt is given in Schedule 2. In the light of the above, please clarify:

- (a) whether more than one class of REE may be stated in the same receipt if a seller distributes more than one class of REE to a consumer in a transaction; and***

4. Yes. As illustrated in the example as stated in the bottom of Schedule 2 to the REE Regulation, in the case where an air conditioner, a washing machine and a television are sold in a single transaction, the respective amount of recycling levy payable per item for an air conditioner, a washing machine and a television has to be stated in the single receipt.

(b) *whether the receipt provided for the above purpose is required to include the example as stated in Schedule 2.*

5. No. The example stated in Schedule 2 to the REE Regulation serves only as an illustration. The heading “**Example—**”/“**例子——**” in each language text of that Schedule and the smaller font size of the text under it serve to indicate that the text under that heading is meant to be an example of the wording to be contained in a receipt.

6. The exact wording to be contained in the relevant receipt depends on the classes of REE covered by the transaction. It would not be necessary or useful to list out in that Schedule the exact wording for each possible scenario. Instead, in the main text of that Schedule, “[*Applicable class of regulated electrical equipment*]: \$[*Amount of levy as prescribed in Schedule 1*] per item” have been used to specify how the wording in the receipt should be prescribed.

Environmental Protection Department
May 2017