

立法會
Legislative Council

LC Paper No. LS64/17-18

**Paper for the House Committee Meeting
on 8 June 2018**

**Legal Service Division Report on
Proposed Resolution under section 31(4) of the
Import and Export Ordinance (Cap. 60)**

The Secretary for Commerce and Economic Development has given notice to move a motion at the Legislative Council ("LegCo") meeting of 20 June 2018. The motion seeks LegCo's approval of the Import and Export (Registration) (Amendment) Regulation 2018 ("Amendment Regulation") made by the Chief Executive in Council under section 31 of the Import and Export Ordinance (Cap. 60).

2. Under the Import and Export (Registration) Regulations (Cap. 60E), persons who import, export or re-export articles other than exempted articles specified in regulation 3 (e.g. transit and transshipment cargoes) must lodge with the Commissioner of Customs and Excise ("Commissioner") import or export declarations. They are also required to pay charges for import or export declarations ("Charge") as specified in regulation 8(1) of Cap. 60E. In gist, the Charge payable in respect of an import declaration is 20 cents for articles specified in Appendix I of the Imports and Exports Classification List¹ ("Appendix I articles"), irrespective of the value or aggregate value of the article(s). In respect of import declarations for non-Appendix I articles and export declarations for both Appendix I and non-Appendix I articles, the Charge is 20 cents for the first \$46,000 of the value of the article(s) and 12.5 cents for each additional \$1,000 in value. Under regulation 10(1) of Cap. 60E, an extra charge and penalty may be imposed in cases where the value or aggregate value of any article(s) has been understated in an import or export declaration.

3. The Amendment Regulation seeks to amend regulations 8 and 10 of Cap. 60E to set a cap on the Charge at \$200, and to provide that the existing computation of extra charge and penalty for cases of understated article values in import or export declarations would remain unaffected by the proposed cap on the Charge (i.e. the computation would continue to be made in accordance with regulation 10 as if the cap of \$200 had not been enacted). The Amendment Regulation also seeks to add a new regulation 17 to Cap. 60E to provide that the

¹ Imports and Exports Classification List means the current Hong Kong Imports and Exports Classification List ("List") issued by the Commissioner as amended from time to time by notification published in the Gazette. Appendix I to the List is "Schedule of Food Items".

amended regulations 8 and 10 would apply in relation to import and export declarations relating to articles imported and exported (including re-exported) after the commencement of the Amendment Regulation.

4. According to paragraph 2 of the LegCo Brief (File Ref: CITB CR 15/39/3) issued by the Commerce and Economic Development Bureau in May 2018, one of the initiatives in the 2018-19 Budget is to develop Hong Kong into a trading, storage, logistics and distribution hub for high-value goods. One of the proposals is to cap the Charge for each declaration at \$200 so as to lower the cost of importing and exporting high-value goods to and from Hong Kong.

5. According to the Clerk to the Panel on Commerce and Industry ("Panel"), the Panel was briefed on the Amendment Regulation at the meeting on 10 April 2018 and the Panel supported in principle the proposed cap on the Charge. Some members suggested that the Administration should consider waiving the Charge on imports and exports of certain precious metals so as to enhance the competitiveness of Hong Kong in related trades, while some members suggested that the Administration should consider abolishing the Charge. Some members also urged the Administration to facilitate submission of declarations and payment of the Charge by small and micro enterprises by electronic means.

6. The Amendment Regulation, if approved, would come into operation on 1 August 2018.

7. No difficulties in the legal and drafting aspects of the Amendment Regulation have been identified.

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