

立法會
Legislative Council

LC Paper No. LS54/18-19

**Paper for the House Committee Meeting
on 15 March 2019**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 8 March 2019**

Tabling in LegCo : Council meeting of 20 March 2019

Amendment to be made by : Council meeting of 17 April 2019 (or that of 8 May 2019 if extended by resolution)

Rating (Exemption) Order 2019 **(L.N. 28)**

L.N. 28 is made by the Chief Executive ("CE") in Council under section 36(2) of the Rating Ordinance (Cap. 116) to give effect to the rates concession proposed in paragraph 108(c) of the 2019-2020 Budget Speech.

2. L.N. 28 declares that all tenements are exempted from the payment of rates up to a maximum of \$1,500 for each quarter in the year starting on 1 April 2019 and ending on 31 March 2020. The amount of \$1,500 is reduced proportionately if rates are payable for only part of a concessionary period.

3. L.N. 28 comes into operation on 1 April 2019.

4. No Legislative Council ("LegCo") Brief has been issued in respect of L.N. 28.

5. According to the Clerk to the Panel on Financial Affairs ("the Panel"), the Panel has not been consulted on L.N. 28. At the meeting on 18 December 2018, the Panel was consulted on various options that the Administration had explored for making possible modifications to the current rates concession mechanism. Members expressed grave concern over the option of confining the rates concession measure to one rateable property for each owner (who can be individuals or companies) which the Administration considered to be a more feasible approach to modify the current rates concession mechanism ("the Option"). After deliberation at the above meeting, the Panel passed a motion requesting the Administration to shelve the Option for the time being in consideration that implementation of the Option and

development of the new property ownership system for implementing the Option might not be in line with the principle of genuine fairness and the "value for money" principle respectively.

Revenue (Reduction of Business Registration Fees and Branch Registration Fees) Order 2019 (L.N. 29)

6. L.N. 29 is made by CE under section 39A(a) of the Public Finance Ordinance (Cap. 2) after consultation with the Executive Council to give effect to the waiver of the business registration fees proposed in paragraph 109(a) of the 2019-2020 Budget Speech.

7. L.N. 29 reduces the fees payable under the Business Registration Ordinance (Cap. 310) in respect of a business registration certificate or branch registration certificate that is endorsed with a date of commencement that falls within the period of 12 months beginning on 1 April 2019 ("concession period").

8. In relation to a one-year business registration certificate, the fee is reduced by a sum of \$2,000 to nil and a one-year branch registration fee is reduced by a sum of \$73 to nil. In relation to a three-year business registration certificate (i.e. where an election is made under section 6(5C) of Cap. 310 for the expiry date to be endorsed on the applicable business registration certificates to be the date of expiration of 3 years from the date of commencement endorsed thereon), the fee is reduced by a sum of \$2,000 to \$3,200 and a three-year branch registration fee is reduced by a sum of \$73 to \$116.

9. Where business registration fee is payable under section 5A(1)(a) of Cap. 310 in relation to an incorporation submission made for the purpose of forming a company under section 67 of the Companies Ordinance (Cap. 622) or incorporating an open-ended fund company under section 112C of the Securities and Futures Ordinance (Cap. 571), the reduction also applies if the submission is made within the concession period.

10. L.N. 29 comes into operation on 1 April 2019.

11. No LegCo Brief has been issued in respect of L.N. 29.

12. According to the Clerk to the Panel, the Panel has not been consulted on L.N. 29.

Concluding Observations

13. No difficulties have been identified in relation to the legal and drafting aspects of the above items of subsidiary legislation.

Prepared by

KAN Wan-yee, Wendy
Assistant Legal Adviser
Legislative Council Secretariat
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