

## **LEGISLATIVE COUNCIL BRIEF**

Road Traffic Ordinance  
(Cap. 374)

Free-Flow Tolling (Miscellaneous Amendments) Ordinance 2021

### **ROAD TRAFFIC (TOLL TAGS) REGULATION**

#### **FREE-FLOW TOLLING (MISCELLANEOUS AMENDMENTS) ORDINANCE 2021 (COMMENCEMENT) NOTICE**

#### **INTRODUCTION**

A The Secretary for Transport and Housing (“STH”) has, under section 6A of the Road Traffic Ordinance (“RTO”) (Cap. 374), made the Road Traffic (Toll Tags) Regulation (“the Regulation”) at **Annex A** in respect of the issuance and regulation of toll tags for implementation of the Free-Flow Tolling System (“FFTS”).

B 2. In addition, STH has also made a commencement notice (“the Commencement Notice”) at **Annex B** for Part 9 of the Free-Flow Tolling (Miscellaneous Amendments) Ordinance 2021 (“the FFT Ordinance”). Part 9, read with the Commencement Notice, requires the responsible persons of vehicles<sup>1</sup> to provide to the Transport Department (“TD”) their e-mail addresses or mobile phone numbers (hereafter collectively referred to as “e-contact means”) in vehicle-related applications under the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374E) starting from 1 November 2021 for the purpose of facilitating the issuance of administrative toll payment notifications in relation to FFTS operation.

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<sup>1</sup> The responsible person of a vehicle is the registered vehicle owner, or the holder of the international circulation permit (“ICP”), trade licence or movement permit under which the vehicle is used.

## JUSTIFICATIONS

3. The FFTS is a technology-based solution to enable collection of tunnel tolls without requiring a motor vehicle to stop at a toll booth, mainly by making use of the Radio Frequency Identification (“RFID”) technology, with the support of the Automatic Number Plate Recognition (“ANPR”) technology<sup>2</sup>. Upon implementation of FFTS, the use of government tolled tunnels<sup>3</sup> and Tsing Sha Control Area (hereafter collectively referred to as “Tolled Tunnels”) by a motor vehicle will be detected by the FFTS field equipment (i.e. boothless tolling facilities) through reading of a toll tag, which is a self-adhesive RFID sticker, affixed on the windscreen of the motor vehicle.

4. To provide the legal backing for implementing FFTS at the Tolled Tunnels, the Government introduced the Free-Flow Tolling (Miscellaneous Amendments) Bill 2021 in March 2021, which was passed by the Legislative Council (“LegCo”) in June 2021 and became the FFT Ordinance. The FFT Ordinance provides for, among other things, STH’s power to make a regulation under RTO for details in relation to the issuance and regulation of toll tags. The key elements of the Regulation are set out in the ensuing paragraphs.

### **Key Elements of the Regulation**

#### ***Issue and Replacement of Toll Tags (sections 8, 9 and 12 of, and Schedules 1 and 3 to, the Regulation)***

5. Under FFTS, the Government will issue a toll tag called “vehicle tag”. Each “vehicle tag” is for use in connection with a particular motor vehicle, which will be issued to the registered owner of a licensed motor

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<sup>2</sup> ANPR technology will capture the images of a motor vehicle’s number plate and recognise the vehicle registration mark (“VRM”) automatically.

<sup>3</sup> Covering Cross-Harbour Tunnel, Eastern Harbour Crossing, Lion Rock Tunnel, Shing Mun Tunnels, Aberdeen Tunnel, Tate’s Cairn Tunnel and will cover the two Build-Operate-Transfer (“BOT”) tunnels, viz. Western Harbour Crossing and Tai Lam Tunnel, upon expiry of their BOT franchises in August 2023 and May 2025 respectively.

vehicle or the holder of an ICP<sup>4</sup> on application. A payment means may be registered in association with the “vehicle tag”, including a bank account, a credit card or a stored-value facility. When the use of Tolled Tunnels by a motor vehicle affixed with a “vehicle tag” is detected by the FFTS field equipment, an appropriate toll will be charged to and automatically debited from the payment account registered in association with the “vehicle tag”.

6. Given that “vehicle tag” is the cornerstone for “smart mobility” initiatives, we propose that the first “vehicle tag” issued in respect of a motor vehicle be free of charge in order to encourage wider usage of “vehicle tag”. Responsible persons may apply for a “vehicle tag” when applying for vehicle registration, vehicle licence renewal or transfer of vehicle ownership starting from 1 November 2021.

7. As a “vehicle tag” is linked to a motor vehicle (rather than the VRM or the vehicle owner), it is unnecessary to remove the “vehicle tag” even after a transfer of vehicle ownership. If the first “vehicle tag” of a motor vehicle is lost or disposed of, the second or any subsequent “vehicle tag” issued will cost \$51, which is determined on a full cost-recovery basis. Meanwhile, the Commissioner for Transport (“C for T”) will have the discretion to waive, exempt, reduce or refund the fee under the Regulation if it is considered in the public interest to do so, for example replacement necessitated by issues in the manufacturing of the tag.

8. To suit individual motorists’ needs, the Government will provide an alternative type of toll tag, namely “class tag”, which is specific to a class of motor vehicles (e.g. private car, goods vehicle, light bus, etc.), instead of a particular motor vehicle. A “class tag” can be procured by any person at designated outlets without any documentary proof starting from around mid-2022, and the stored value account associated with the “class tag” can be topped up anonymously at designated locations. Each class tag will cost \$38, which is also determined on a full cost-recovery basis.

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<sup>4</sup> For motor vehicles running on roads with trade licences or movement permits, they will not be issued with “vehicle tags” and are not required to use toll tags; they will be detected by ANPR technology under FFTS. Trade licences are issued to manufacturers or repairers of or dealers in motor vehicles, and one trade licence can be used on different motor vehicles that are in the holder’s possession in the course of business, though on separate occasions. In other words, a trade licence is not linked to a particular motor vehicle. Movement permits are issued to motor vehicles which are not licensed and not normally used on roads but are only driven on roads for the purpose of proceeding from one place to another. In view of the foregoing, it is considered unnecessary for such motor vehicles to be issued with “vehicle tags”.

### ***Appointment of Agent of C for T (section 7 of the Regulation)***

9. The TD will engage a contractor through open tender for handling toll-related matters under FFTS. The contractor will, as an agent of C for T, handle functions of a Tag Authority<sup>5</sup> under the Regulation such as issuance of toll tags (for both “vehicle tag” and “class tag”)<sup>6</sup>.

### ***Use of Toll Tags (section 3 of the Regulation)***

10. Toll tag is crucial to the smooth implementation of FFTS since it can achieve a very high accuracy. In order for the FFTS field equipment to detect toll tags in a most efficient manner, we propose imposing an appropriate level of responsibility upon the responsible person and driver of a motor vehicle to affix an appropriate toll tag and in a proper way. To this end, a person who is the responsible person or driver of a motor vehicle must ensure that the following requirements are complied with when a toll tag (be it a “vehicle tag” or “class tag”) is used in connection with the motor vehicle –

- (a) it must be an appropriate toll tag (i.e. the correct “vehicle tag” issued in respect of the motor vehicle, or a “class tag” applicable to the class which the motor vehicle falls within);
- (b) it must be free from any interference that prevents the toll tag from being read properly or causes the toll tag to fail to operate;
- (c) it must be affixed to the motor vehicle in the way as prescribed in Schedule 2 to the Regulation<sup>7</sup>; and
- (d) it must be the only toll tag used in connection with the motor vehicle.

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<sup>5</sup> A Tag Authority means C for T or an agent of C for T appointed for the purposes of the Regulation.

<sup>6</sup> The contractor will also handle toll collection, provision of account management and customer services and toll recovery matters as the toll service provider under the Road Tunnels (Government) Ordinance (Cap. 368) and Tsing Sha Control Area Ordinance (Cap. 594), as amended by the FFT Ordinance.

<sup>7</sup> The key requirement is that the toll tag must be oriented horizontally and directly affixed, to the inside surface of the front windscreen of the motor vehicle, by means of the adhesive of the toll tag. If the motor vehicle does not have a front windscreen (e.g. a motorcycle), or the whole of its front windscreen is shielded by a metallic substance, the toll tag will have to be directly affixed to the back side of the non-metallic wing/side mirror, or a non-metallic holder mounted onto the motor vehicle.

11. It is an offence if the responsible person or driver, without reasonable excuse, fails to ensure the above requirements are complied with. If an inappropriate toll tag is affixed (for instance, a private car being affixed with a “class tag” for motorcycle, which may lead to payment of a lower toll; or a motor vehicle being affixed with a “vehicle tag” issued to another motor vehicle), the penalty is a fine at level 1 (\$2,000) and imprisonment of three months which aims to deter any intent to deceive for underpayment of tolls. For a failure to comply with other requirements (i.e. those set out in paragraph 10 (b) to (d)), the penalty is a fine at level 1 (\$2,000).

12. Apart from the requirements set out in paragraph 10, the responsible person and driver of a motor vehicle should also ensure that the toll tag affixed is in good working order. If TD suspects that a toll tag used in connection with a motor vehicle is not in good working order (for instance, the toll tag fails to be detected by the FFTS field equipment repeatedly), it will request, by means of an examination order under RTO, the responsible person to bring the motor vehicle to an examination centre for inspection of the tag. If the toll tag is confirmed to be malfunctioning, TD will require, through a repair order under RTO, the responsible person to replace the toll tag at his own cost (or for free if C for T considers it appropriate to exercise the discretion to waive the prescribed fee for replacing the toll tag)<sup>8</sup>.

#### ***Mandating the Use of Toll Tags in Future and Related Requirements (section 4 of the Regulation)***

13. In view of the importance of toll tags in the efficient implementation of FFTS and as an essential enabler for “smart mobility” initiatives (for instance charging time-varying tolls under the concept of “Congestion Charging”<sup>9</sup>), it is the Government’s vision to mandate the use of toll tags for all licensed motor vehicles and motor vehicles issued with

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<sup>8</sup> See sections 79, 83 and 85 of RTO on powers to issue an examination order and a repair order.

<sup>9</sup> TD commenced the Study on “Congestion Charging” in July 2019 to comprehensively review the toll levels of the Tolled Tunnels. “Congestion Charging” will suitably adjust the tolls based on traffic management needs, with a view to regulating traffic flows and alleviating traffic congestion. Considerations may be given to charging different tolls during different time periods, which is made technically feasible with the implementation of FFTS and introduction of toll tags.

ICPs<sup>10</sup> in future. It is thus proposed that C for T be empowered under the Regulation to specify a date for effecting the mandatory requirement of using toll tags in due course, which may not be earlier than the takeover of the remaining BOT tunnels by the Government upon franchise expiry, and subject to other considerations including penetration rate of toll tags, etc. As the provision takes effect in future, it will be an offence if the responsible person or driver of a motor vehicle for which a toll tag is mandated, without reasonable excuse, fails to ensure a toll tag is used. The penalty will be a fine at level 1 (\$2,000). Separately, the Government will also keep in view the case for mandating the use of “vehicle tags” taking into account the pace of adoption and application of “smart” technology enabled by the use of “vehicle tags”, among other relevant developments.

14. The requirements referred to in paragraphs 10 and 11 will continue to apply and penalties for a failure to ensure compliance with the requirements are those referred to in paragraph 11.

#### ***Exemption (section 6 of the Regulation)***

15. To cater for circumstances where affixing a toll tag to a particular motor vehicle may not be appropriate or practicable<sup>11</sup>, C for T will be empowered to exempt a motor vehicle from the mandatory requirement as well as the requirements set out in paragraphs 10(b) to (d) and 12.

#### **Commencement Notice for Part 9 of the FFT Ordinance**

16. The FFT Ordinance came into operation on 2 July 2021, except Part 9 which mainly concerns the collection of e-contact means from responsible persons of vehicles when they submit vehicle-related applications. The e-contact means so collected will facilitate the issuance of administrative toll payment notification by electronic means for reminding responsible persons to settle outstanding tolls upon implementation of FFTS. In order to allow TD sufficient time (around one

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<sup>10</sup> Section 5 of the Regulation provides for exception to the mandatory requirement for the use of a toll tag. A toll tag is not required for a vehicle being towed by another vehicle because no toll is to be charged under FFTS for a vehicle being towed. Furthermore, a toll tag is not required for a motor vehicle used under a trade licence and will be detected by ANPR technology under FFTS (see footnote 4 for details).

<sup>11</sup> In very rare cases, there could be, for instance, no suitable location on a motor vehicle for mounting the non-metallic holder affixed with a toll tag without interfering or affecting the transmission of the radio signal between the toll tag and FFTS field equipment. Under such circumstances, the motor vehicle may need to be detected by ANPR technology as the last resort.

year prior to the tentative roll-out date of FFTS) to collect e-contact means from the responsible persons (among various vehicle-related applications, vehicle licences are renewed at least annually), STH has made the Commencement Notice to enable TD to start collecting the e-contact means from 1 November 2021.

## **THE REGULATION**

17. The main provisions of the Regulation are as follows -
- (a) **Section 3** imposes requirements referred to in paragraphs 10 and 12 on a person who is the responsible person or driver of a motor vehicle when a toll tag is used in connection with the motor vehicle and provides for the offence and penalties referred to in paragraph 11. **Section 3** will expire on the commencement of section 4. **Section 4** will mandate the use of toll tag in connection with a motor vehicle that is licensed or used under an ICP, and will impose, in relation to such a motor vehicle or a motor vehicle in connection with which a toll tag is used, the requirements referred to in paragraphs 10 and 12 as well as provide for the offences and penalties referred to in paragraph 11. Sections 3 and 4 are to be read with **Schedule 2**, which prescribes how a toll tag must be affixed;
  - (b) **Sections 5 and 6** provide for exceptions and exemptions from sections 3 and 4;
  - (c) **Section 7** provides for the appointment of an agent of C for T for the purposes of the Regulation;
  - (d) **Sections 8 and 9** provide for the issuance of “vehicle tag” and “class tag” respectively. **Schedule 1** specifies the classes of motor vehicles for which “class tag” will be issued, while **Schedule 3** specifies the prescribed fees for the issuance of “vehicle tag” and “class tag”;
  - (e) **Section 10** provides for the conditions of issue applicable to a toll tag; while **section 11** relates to the specification of forms for an application of a “vehicle tag”; and
  - (f) **Section 12** authorises C for T to waive, exempt, reduce or refund the prescribed fee for a toll tag; while **section 13** authorises

C for T to amend Schedule 2.

18. The Regulation (except for those provisions on the mandated use of toll tags) will come into effect on 1 November 2021, with a view to enabling the responsible persons to apply for “vehicle tag” when they submit vehicle-licence applications, e.g. for annual vehicle licence renewal. Based on the indicated preference of the responsible persons, the Tag Authority will issue “vehicle tags” to them in around mid-2022, and make available “class tags” for procurement at designated service channels at around the same time.

## LEGISLATIVE TIMETABLE

19. The legislative timetable for the Regulation and the Commencement Notice will be as follows -

Publication in the Gazette	27 August 2021
Tabling at LegCo for negative vetting	1 September 2021
Commencement of the Regulation and Part 9 of the FFT Ordinance	1 November 2021

## IMPLICATIONS OF THE PROPOSAL

20. The Regulation is in conformity with the Basic Law, including provisions concerning human rights. The civil service and financial implications of the Regulation are set out at **Annex C**. Since the Regulation mainly provides for the issuance and regulation of toll tags for enabling FFTS, it has no economic and sustainability implications in addition to those pertaining to the implementation of FFTS. It also has no environmental, family, gender and productivity implications. The Regulation will not affect the current binding effect of RTO or its subsidiary legislation.

## PUBLIC CONSULTATION

21. We consulted the Transport Advisory Committee (“TAC”) regarding the implementation of FFTS on 15 December 2020. TAC



members welcomed the proposed implementation of FFTS and considered that it would be an important milestone for building Hong Kong into a smart city. On 5 January 2021, we consulted the LegCo Panel on Transport on the proposal to implement FFTS, and members of the Panel generally supported the proposal.

22. The Free-Flow Tolling (Miscellaneous Amendments) Bill 2021 was introduced to LegCo on 24 March 2021. The Bills Committee members supported implementing FFTS at Tolled Tunnels, which would bring Hong Kong one step closer to becoming a “smart” city; and urged for an expedited implementation of FFTS.

23. TD also conducted a public engagement exercise from December 2020 to June 2021 for enhancing public awareness and understanding of toll tags and FFTS, which covered engagement meetings with the transport trades and other stakeholders (e.g. the disabled group) as well as exhibitions at TD’s licensing offices.

## **PUBLICITY**

24. A press release will be issued and a spokesperson will be available to answer media enquiries. TD will arrange publicity through various channels for enhancing community awareness of FFTS and toll tags, as well as the practical need for collection of e-contact means from the responsible persons.

## **ENQUIRIES**

25. Any enquiry on this brief can be addressed to Ms Vivien LI, Principal Assistant Secretary for Transport and Housing (Transport), at 3509 8192.

**Transport and Housing Bureau**  
**25 August 2021**

**Road Traffic (Toll Tags) Regulation**

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## Road Traffic (Toll Tags) Regulation

(Made by the Secretary for Transport and Housing under section 6A of the Road Traffic Ordinance (Cap. 374))

### 1. Commencement

- (1) Subject to subsection (2), this Regulation comes into operation on 1 November 2021.
- (2) The following provisions come into operation on a day to be appointed by the Commissioner for Transport by notice published in the Gazette—
  - (a) section 4;
  - (b) sections 5 and 6 (in so far as they relate to section 4).

### 2. Interpretation

- (1) In this Regulation—

**appropriate toll tag** (適當繳費貼), in relation to a motor vehicle, means—

- (a) a vehicle tag issued for use in connection with the motor vehicle; or
- (b) if the motor vehicle falls within a class of motor vehicles—a class tag issued for use in connection with a motor vehicle falling within that class;

**class** (種類), in relation to motor vehicles, means a class of motor vehicles specified in Schedule 1;

**class tag** (車種貼)—see section 9(1);

**conditions of issue** (發出條件), in relation to a vehicle tag or a class tag, means the conditions of issue for the vehicle tag or the class tag (as the case requires) as determined from time to time under section 10;

**international circulation permit** (國際通行許可證) has the meaning given by regulation 2(1) of the Registration and Licensing Regulations;

**movement permit** (車輛行駛許可證) has the meaning given by regulation 2(1) of the Registration and Licensing Regulations;

**prescribed fee** (訂明費用), in relation to a matter specified in Schedule 3, means the fee specified in that Schedule for the matter;

**Registration and Licensing Regulations** (《登記及領牌規例》) means the Road Traffic (Registration and Licensing of Vehicles) Regulations (Cap. 374 sub. leg. E);

**responsible person** (負責人), in relation to a motor vehicle, means—

- (a) unless paragraph (b) applies—the registered owner of the motor vehicle; or
- (b) if the motor vehicle is used under an international circulation permit, a movement permit or a trade licence—the holder of the international circulation permit, movement permit or trade licence (as the case requires);

**specified Government infrastructure** (指明政府基建) has the meaning given by section 6A(5) of the Ordinance;

**tag agent** (繳費貼代理) means a person appointed as an agent of the Commissioner under section 7;

**Tag Authority** (繳費貼當局) means the Commissioner or a tag agent;

**toll tag** (繳費貼) has the meaning given by section 6A(5) of the Ordinance;

**trade licence** (試車牌照) has the meaning given by regulation 2(1) of the Registration and Licensing Regulations;

**vehicle tag** (車輛貼)—see section 8(1).

- (2) To avoid doubt, a toll tag is used in connection with a motor vehicle if the toll tag is affixed to or displayed on the motor vehicle, whether or not any use by the motor vehicle of any specified Government infrastructure has been, is or is about to be detected.

**3. Before commencement of section 4, certain requirements apply if toll tag is used**

- (1) Subject to sections 5 and 6, if a toll tag is used in connection with a motor vehicle, a person who is the responsible person or driver of the motor vehicle must ensure that—
- (a) subsection (2) is complied with; and
  - (b) subsection (3) is complied with.
- (2) The toll tag—
- (a) must be an appropriate toll tag;
  - (b) must be free from any interference that prevents the toll tag from being read properly or causes the toll tag to fail to operate;
  - (c) must be affixed to the motor vehicle in the way specified in Schedule 2; and
  - (d) must be the only toll tag used in connection with the motor vehicle.
- (3) The toll tag must be in good working order.
- (4) A person who, without reasonable excuse, contravenes subsection (1)(a) commits an offence and is liable on conviction—
- (a) for a contravention in relation to a failure to comply with subsection (2)(a)—to a fine at level 1 and to imprisonment for 3 months; or
  - (b) in any other case—to a fine at level 1.

- (5) It is a defence to a charge alleging a contravention of subsection (1)(a) for the person charged to prove that the motor vehicle to which the charge relates was, at the time of the contravention, parked on a private road.
- (6) This section expires on the commencement of section 4.

**4. Toll tag required for certain motor vehicle and other requirements applicable generally**

- (1) Subject to sections 5 and 6—
- (a) a person who is the responsible person or driver of a tag-required vehicle must ensure that—
    - (i) subsection (3) is complied with; and
    - (ii) subsection (4) is complied with; and
  - (b) a person who is the responsible person or driver of a tag-in-use vehicle must ensure that—
    - (i) subsection (6) is complied with; and
    - (ii) subsection (7) is complied with.
- (2) For the purposes of this section, a tag-required vehicle is a motor vehicle—
- (a) that is licensed under regulation 21 of the Registration and Licensing Regulations; or
  - (b) in respect of which an international circulation permit is issued under regulation 31 of those Regulations.
- (3) A toll tag must at all times be used in connection with a tag-required vehicle and the toll tag—
- (a) must be an appropriate toll tag;
  - (b) must be free from any interference that prevents the toll tag from being read properly or causes the toll tag to fail to operate;

- (c) must be affixed to the motor vehicle in the way specified in Schedule 2; and
  - (d) must be the only toll tag used in connection with the motor vehicle.
- (4) A toll tag used in connection with a tag-required vehicle must be in good working order.
- (5) For the purposes of this section, a motor vehicle is a tag-in-use vehicle if—
- (a) a toll tag is used in connection with the motor vehicle; but
  - (b) the motor vehicle is not a tag-required vehicle.
- (6) A toll tag used in connection with a tag-in-use vehicle—
- (a) must be an appropriate toll tag;
  - (b) must be free from any interference that prevents the toll tag from being read properly or causes the toll tag to fail to operate;
  - (c) must be affixed to the motor vehicle in the way specified in Schedule 2; and
  - (d) must be the only toll tag used in connection with the motor vehicle.
- (7) A toll tag used in connection with a tag-in-use vehicle must be in good working order.
- (8) A person who, without reasonable excuse, contravenes subsection (1)(a)(i) or (b)(i) commits an offence and is liable on conviction—
- (a) for a contravention in relation to a failure to comply with subsection (3)(a) or (6)(a)—to a fine at level 1 and to imprisonment for 3 months; or
  - (b) in any other case—to a fine at level 1.

- (9) It is a defence to a charge alleging a contravention of subsection (1)(a)(i) or (b)(i) for the person charged to prove that the motor vehicle to which the charge relates was, at the time of the contravention, parked on a private road.

#### 5. Exceptions relating to sections 3 and 4

- (1) For a motor vehicle referred to in subsection (2)—
- (a) a person does not contravene section 3 or 4 in relation to the motor vehicle only because section 3(2)(b) or (c) or 4(3)(b) or (c) or (6)(b) or (c) is not complied with; and
  - (b) a person does not contravene section 4 in relation to the motor vehicle only because no toll tag is used in connection with the motor vehicle.
- (2) The motor vehicle is one that—
- (a) is being towed by another motor vehicle; or
  - (b) is used under a trade licence that is displayed on the motor vehicle.

#### 6. Exemption from sections 3 and 4

- (1) If the Commissioner considers it in the public interest to do so, the Commissioner may grant an exemption, from a requirement under section 3 or 4, in respect of a motor vehicle.
- (2) The Commissioner may not grant an exemption from a requirement that a toll tag used in connection with a motor vehicle must be an appropriate toll tag.
- (3) An exemption under subsection (1) is to be granted by written notice and is subject to any conditions that may be specified in the notice.
- (4) The Commissioner may exercise any power under subsection (1) generally or in any case or class of cases.

**7. Appointment of tag agent**

The Commissioner may appoint a person as an agent of the Commissioner for the purposes of this Regulation.

**8. Issue of vehicle tag**

- (1) A Tag Authority may, on application and on payment of the prescribed fee, issue a toll tag for use in connection with a particular motor vehicle, registered or used under an international circulation permit, (*vehicle tag*) to the responsible person of the motor vehicle.
- (2) An application for the purposes of subsection (1) may be made, in respect of a motor vehicle, by a person if—
  - (a) the motor vehicle is registered and the person is the registered owner of the motor vehicle;
  - (b) the person has made, in respect of the motor vehicle, an application for registration under regulation 5 of the Registration and Licensing Regulations;
  - (c) the person has, as the new owner of the motor vehicle, delivered a notice of transfer of ownership under regulation 17 of the Registration and Licensing Regulations;
  - (d) the motor vehicle is used under an international circulation permit and the person is the holder of the permit; or
  - (e) the person has made, in respect of the motor vehicle, an application for an international circulation permit under regulation 31 of the Registration and Licensing Regulations.
- (3) An application for the purposes of subsection (1) must be made in a form specified under section 11 and the form—

- (a) must be completed in accordance with the directions and instructions specified in the form; and
  - (b) must, on completion, be sent to a Tag Authority in a way specified in the form and be accompanied by the information and documents specified in the form.
- (4) If the Commissioner considers it in the public interest to do so, the Commissioner may, on his or her own initiative and whether through a tag agent or otherwise—
    - (a) issue vehicle tags in respect of motor vehicles generally or in respect of any class of motor vehicles; or
    - (b) issue a vehicle tag in respect of a motor vehicle.
  - (5) A vehicle tag, issued for use in connection with a motor vehicle—
    - (a) must store data required for the operation of the vehicle tag, including data corresponding to—
      - (i) the following—
        - (A) if the motor vehicle is registered—the vehicle identification number of the motor vehicle;
        - (B) if the motor vehicle is used under an international circulation permit—the reference number assigned by the Commissioner to the motor vehicle; and
      - (ii) the serial number of the vehicle tag assigned by the manufacturer of the vehicle tag; and
    - (b) may store any other data as the Commissioner thinks fit for the operation of the vehicle tag.
  - (6) A vehicle tag is issued subject to the conditions of issue.
  - (7) On the issue of a vehicle tag for use in connection with a motor vehicle, each vehicle tag formerly issued for use in connection with the motor vehicle (if any) ceases to be valid.

**9. Issue of class tag**

- (1) A Tag Authority may, on payment of the prescribed fee, issue a toll tag for use in connection with any motor vehicle falling within a particular class (*class tag*).
- (2) A class tag, issued for use in connection with any motor vehicle falling within a particular class—
  - (a) must store data required for the operation of the class tag, including data corresponding to—
    - (i) the reference number assigned by the Commissioner to the class tag;
    - (ii) the class identification number assigned by the Commissioner to the class; and
    - (iii) the serial number of the class tag assigned by the manufacturer of the class tag; and
  - (b) may store any other data as the Commissioner thinks fit for the operation of the class tag.
- (3) A class tag is issued subject to the conditions of issue.

**10. Conditions of issue**

- (1) The conditions of issue for a vehicle tag or a class tag may, from time to time, be determined by—
  - (a) the Commissioner; or
  - (b) a tag agent with the approval of the Commissioner.
- (2) A determination under subsection (1) may be made generally or in any case or class of cases.
- (3) The responsible person of a motor vehicle, in connection with which a vehicle tag or a class tag is used, is bound by the conditions of issue for the vehicle tag or the class tag (as the case requires).
- (4) The conditions of issue determined under subsection (1)—

- (a) must be made readily accessible to the general public in a way that a Tag Authority thinks fit; or
- (b) if the conditions of issue are determined for a vehicle tag issued for use in connection with a particular motor vehicle—
  - (i) must be notified by a Tag Authority to the responsible person of the motor vehicle, as soon as practicable after the determination; and
  - (ii) must be notified by a Tag Authority to a person who becomes the responsible person of the motor vehicle, as soon as practicable after the person becomes the responsible person.

**11. Tag Authority to specify forms**

- (1) The form of an application required for the purposes of section 8 may be specified by—
  - (a) the Commissioner; or
  - (b) a tag agent with the approval of the Commissioner.
- (2) More than one form of the application may be specified under subsection (1), whether as alternatives or to provide for different circumstances.

**12. Waiver of prescribed fee**

- (1) If the Commissioner considers it in the public interest to do so, the Commissioner may waive, exempt, reduce or refund, in whole or in part, the prescribed fee payable or paid for the issue of a vehicle tag or a class tag under section 8 or 9.
- (2) The Commissioner may exercise any power under subsection (1) generally or in any case or class of cases.

**13. Amendment of Schedule 2**

The Commissioner may, by notice published in the Gazette, amend Schedule 2.

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**Schedule 1**

[s. 2]

**Classes of Motor Vehicles**

1. Motor cycles and motor tricycles
  2. Private cars
  3. Taxis
  4. Public light buses and private light buses
  5. Light goods vehicles, and special purpose vehicles of a permitted gross vehicle weight not exceeding 5.5 tonnes
  6. Medium goods vehicles, and special purpose vehicles of a permitted gross vehicle weight exceeding 5.5 tonnes but not exceeding 24 tonnes
  7. Heavy goods vehicles, and special purpose vehicles of a permitted gross vehicle weight exceeding 24 tonnes
  8. Public buses (single-decked) and private buses (single-decked)
  9. Public buses (double-decked) and private buses (double-decked)
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## Schedule 2

[ss. 3, 4 & 13]

### Way in which Toll Tag must be Affixed

1. For the purposes of sections 3(2)(c) and 4(3)(c) and (6)(c), a toll tag used in connection with a motor vehicle—
  - (a) must be affixed to the motor vehicle in the way specified in section 2, 3 or 4 of this Schedule; and
  - (b) must be oriented horizontally.
2. Unless section 3 or 4 of this Schedule applies, the toll tag must be directly affixed, to the inside surface of the front windscreen of a motor vehicle, by means of the adhesive of the toll tag.
3. If a motor vehicle has a front windscreen and the whole, or any part, of the front windscreen is shielded by a metallic substance, the toll tag must be affixed to the motor vehicle in the following way—
  - (a) where the front windscreen has a part that is not shielded by a metallic substance (*unshielded part*)—the toll tag must be directly affixed, to the inside surface of the unshielded part of the front windscreen, by means of the adhesive of the toll tag;
  - (b) where the whole of the front windscreen is shielded by a metallic substance—
    - (i) for a motor vehicle that has a reflecting mirror—the toll tag must be directly affixed, to a non-metallic surface of the back side of the reflecting mirror, by means of the adhesive of the toll tag; or

- (ii) for a motor vehicle that does not have a reflecting mirror—
    - (A) the toll tag must be directly affixed to a non-metallic holder, by means of the adhesive of the toll tag; and
    - (B) the non-metallic holder, affixed with the toll tag, must be directly mounted onto the motor vehicle at a location such that the toll tag affixed is not obscured by anything in front of the motor vehicle.
4. If a motor vehicle does not have a front windscreen, the toll tag must be affixed to the motor vehicle in the following way—
  - (a) for a motor vehicle that has a reflecting mirror—the toll tag must be directly affixed, to a non-metallic surface of the back side of the reflecting mirror, by means of the adhesive of the toll tag;
  - (b) for a motor vehicle that does not have a reflecting mirror—
    - (i) the toll tag must be directly affixed to a non-metallic holder, by means of the adhesive of the toll tag; and
    - (ii) the non-metallic holder, affixed with the toll tag, must be directly mounted onto the motor vehicle at a location such that the toll tag affixed is not obscured by anything in front of the motor vehicle.
5. In this Schedule, a part of a front windscreen is shielded by a metallic substance if—
  - (a) the part of the front windscreen has metallic coating or contains metal oxide or metal; and

(b) as a result, a toll tag if affixed to that part of the front windscreen will be prevented from being read properly or will be caused to fail to operate,

and a reference to the whole of a front windscreen being shielded by a metallic substance is to be construed accordingly.

6. In this Schedule—

**reflecting mirror** (反射鏡) means a non-metallic reflecting mirror fitted to a motor vehicle externally and includes a wing or side mirror.

### Schedule 3

[s. 2]

#### Prescribed Fees for Issue of Toll Tags

Column 1	Column 2	Column 3
Item	Particulars of matter	Fee \$
1.	Issue of a vehicle tag in respect of a motor vehicle under section 8—	
	(a) if it is the first vehicle tag issued in respect of the motor vehicle; or	0
	(b) if it is the second or any subsequent vehicle tag issued in respect of the motor vehicle	51
2.	Issue of a class tag under section 9	38



Secretary for Transport and Housing

23 August 2021

### Explanatory Note

This Regulation is made under section 6A of the Road Traffic Ordinance (Cap. 374), added by the Free-Flow Tolling (Miscellaneous Amendments) Ordinance 2021 (20 of 2021).

2. The Regulation (except section 4 and sections 5 and 6 (in so far as they relate to section 4)) comes into operation on 1 November 2021. The excepted provisions come into operation on a day to be appointed by the Commissioner for Transport (*Commissioner*) by notice published in the Gazette.
3. Section 4 sets out the requirements regarding toll tags applicable when the Regulation is fully implemented. Section 3 sets out the requirements regarding toll tags applicable before the full implementation.
4. At the full implementation stage, section 4(2), (3) and (4) imposes the following requirements—
  - (a) the requirement that a toll tag must be used in connection with any motor vehicle in respect of which a vehicle licence or an international circulation permit is in force (in this Explanatory Note called *use tag requirement*);
  - (b) the following requirements (in this Explanatory Note called *particulars of use requirements*)—
    - (i) that the toll tag must be an appropriate toll tag (as defined in section 2(1)) for the motor vehicle concerned;
    - (ii) that the toll tag must be free from any interference that prevents the toll tag from being read properly or causes the toll tag to fail to operate;
    - (iii) that the toll tag must be affixed to the motor vehicle concerned in the way specified in Schedule 2;

- (iv) that the toll tag must be the only toll tag used in connection with the motor vehicle concerned;
  - (c) the further requirement that the toll tag must be in good working order.
5. At the full implementation stage, if a toll tag is used in connection with a motor vehicle to which the use tag requirement does not apply, then the particulars of use requirements and the good working order requirement must be complied with (section 4(5), (6) and (7)).
  6. Before the commencement of section 4, section 3 applies. That means—
    - (a) a toll tag is not required for any motor vehicle; but
    - (b) if a toll tag is used in connection with a motor vehicle, the particulars of use requirements and the good working order requirement must be complied with.
  7. The requirements in sections 3 and 4 apply subject to certain exceptions specified in section 5 (e.g. a motor vehicle being towed by another motor vehicle) and subject to any exemption granted by the Commissioner under section 6 if the Commissioner considers it in the public interest to grant it.
  8. To the extent that the use tag requirement and the particulars of use requirements apply to a motor vehicle, a person who is the responsible person or driver of the motor vehicle must ensure that the requirements are complied with. The person commits an offence if the person fails to do so without reasonable excuse (sections 3(1) and (4) and 4(1) and (8)). The person has a defence if the person proves that the motor vehicle was at the relevant time parked on a private road (sections 3(5) and 4(9)).
  9. Sections 8 and 9 provide for the issue of a toll tag specific to a particular motor vehicle and to a particular class of motor vehicles respectively (referred to in the Regulation as a vehicle tag and a class

- tag). Schedule 1 specifies the classes of motor vehicles. Schedule 3 specifies the prescribed fees for the issue of toll tags.
10. Section 10 provides for the conditions of issue applicable to a toll tag. Section 11 relates to the specification of forms of an application for a vehicle tag.
  11. Section 12 authorizes the Commissioner to waive, exempt, reduce or refund the prescribed fee payable or paid for the issue of a toll tag.
  12. Section 13 authorizes the Commissioner to amend Schedule 2 (which provides for the way in which a toll tag is to be affixed to a motor vehicle).


Free-Flow Tolling (Miscellaneous Amendments) Ordinance 2021 (Commencement)  
Notice

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**Free-Flow Tolling (Miscellaneous Amendments)  
Ordinance 2021 (Commencement) Notice**

Under section 1(3) of the Free-Flow Tolling (Miscellaneous Amendments) Ordinance 2021 (20 of 2021), I appoint 1 November 2021 as the day on which Part 9 of the Ordinance comes into operation.



Secretary for Transport and Housing

23 August 2021

## IMPLICATIONS OF THE PROPOSAL

### Civil Service Implication

Additional workload arising from the implementation of the Regulation will be absorbed by the Transport Department (“TD”)’s existing manpower resources for implementation of the Free-Flow Tolling System (“FFTS”).

### Financial Implication

2. TD has created a commitment of \$945.98 million in the 2019-20 Estimates for the capital expenditure on implementing FFTS at government tolled tunnels and Tsing Sha Control Area (“TSCA”) and introduction of toll tags, which covers (a) development and modification of the backend software system; (b) procurement and installation of field equipment and facilities; (c) essential modification of existing toll plazas of government tolled tunnels and TSCA; and (d) procurement of toll tags and readers.

3. The estimated revenue forgone arising from the free-of-charge issue of the first “vehicle tag” in respect of a motor vehicle set out in paragraph 6 of the brief is roughly \$19 million on a one-off basis (assuming an adoption rate of 45% of existing licensed vehicles, with the revenue forgone for “vehicle tags” issued free-of-charge to newly licensed vehicles in future years not yet taken into account). On the other hand, the estimated revenue generated from the first issue of “class tags” as set out in paragraph 8 of the brief is a one-off revenue of \$14 million and thereafter roughly \$3 million per annum for the re-issuance (including replacement) of “vehicle tags” and the issuance of new “class tags”. Toll tag-related revenue arising from the implementation of the proposal will be credited to the General Revenue Account in accordance with the established practice.

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