

# 立法會

## *Legislative Council*

LC Paper No. CB(1)267/20-21

Ref.: CB1/SS/4/20

### **Paper for the House Committee meeting on 27 November 2020**

### **Report of the Subcommittee on Five Pieces of Subsidiary Legislation Relating to Fee Waiving or Concession Measures for the Retail and Catering Sectors**

#### **Purpose**

This paper reports the deliberations of the Subcommittee on Five Pieces of Subsidiary Legislation Relating to Fee Waiving or Concession Measures for the Retail and Catering Sectors ("the Subcommittee").

#### **Background**

2. On 15 August 2019, the Financial Secretary ("FS") announced a package of relief measures with a view to countering the challenging external economic environment and softening local economy. The relief measures included waiver and reduction of various government fees and charges for one year in different sectors.<sup>1</sup> On 15 September 2020, the Administration announced the extension of the waivers or concessions of government fees and charges implemented in 2019 and the introduction of new waivers to sustain the support for businesses and relieve individuals' financial burden in view of the impact of COVID-19. A total of 36 groups of fee waiving/concession measures are involved, covering a wide range of sectors from aviation, maritime, logistics, retail, catering, agriculture and fisheries, construction to tourism and entertainment.

---

<sup>1</sup> Please refer to the Legislative Council Brief issued by the Financial Services and the Treasury Bureau on 25 September 2019 (File Ref.: L/M 10 in TsyB MA 00/625-1/2/0 (C) Pt. 25) and LC paper No. LS92/18-19 issued on 10 October 2019 for details of the waivers and concessions announced by FS on 15 August 2019.

### **The five pieces of subsidiary legislation**

3. In gist, the five pieces of subsidiary legislation relating to fee waiving or concession measures for the retail and catering sectors are as follows:

- (a) the Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2020 (L.N. 177) was made under the Sewage Services Ordinance (Cap. 463) to extend the waiving of the trade effluent surcharge payable for one more year during the period from 1 January 2021 to 31 December 2021. L.N. 177 provides for the concession of trade effluent surcharge for a billing period with any part of it falling within 2021;
- (b) the Waterworks (Amendment) Regulation 2020 (L.N. 178) was made under the Waterworks Ordinance (Cap. 102) to extend the reduction of 75% of the charge for fresh water supplied for non-domestic purposes for four more months subject to a monthly cap of \$20,000 for each meter covered by a water bill during the period from 1 December 2020 to 31 March 2021;
- (c) the Sewage Services (Sewage Charge) (Amendment) Regulation 2020 (L.N. 179) was made under the Sewage Services Ordinance (Cap. 463) to extend the reduction of 75% of the sewage charge for fresh water supplied for non-domestic purposes for four more months subject to a monthly cap of \$12,500 for each meter covered by a water bill during the period from 1 December 2020 to 31 March 2021; and
- (d) the Dutiable Commodities (Liquor Licences) (Fees) (Amendment) Regulation 2020 (L.N. 194) and the Dutiable Commodities (Liquor Licences) (Fees) (Amendment) (Fee Concessions) Regulation 2019 (Amendment) Regulation 2020 (L.N. 195) were made under the Dutiable Commodities Ordinance (Cap. 109) to extend the waiving or reduction of fees payable for one more year during the period from 1 October 2020 to 30 September 2021 in respect of liquor licences.

4. L.N. 177 will come into operation on 1 January 2021, and L.N. 178 and L.N. 179 will come into operation on 1 December 2020. L.N. 194 came into operation upon gazettal on 25 September 2020, except that the relevant provisions extending the concession period came into operation on 1 October 2020. L.N. 195 makes a technical amendment to the Dutiable Commodities (Liquor Licences) (Fees) (Amendment) (Fee Concessions) Regulation 2019 (L.N. 114 of 2019) so that the provision restoring the pre-amended fee levels after 30 September 2021 comes into operation on 1 October 2021. L.N. 195 came into operation upon gazettal on 25 September 2020.

### **The Subcommittee**

5. At the House Committee meeting held on 16 October 2020, Members agreed to form a subcommittee to study the five pieces of subsidiary legislation. The membership list of the Subcommittee is in **Appendix I**. The Subcommittee held two meetings, one of which was attended by the Administration to discuss with the Subcommittee the above five pieces of subsidiary legislation. The Subcommittee also posted a notice on LegCo's website to invite the public to make written submissions on the five pieces of subsidiary legislation concerned and received a written submission as set out in **Appendix II**.

6. To enable the Subcommittee to report to the House Committee and to allow sufficient time for giving notice of motion to amend the five pieces of subsidiary legislation, the Subcommittee agreed that a motion be moved to extend the scrutiny period of the five pieces of subsidiary legislation to the Council meeting of 2 December 2020. However, the motion was not moved at the Council meeting of 11 November 2020. As such, the period for amending the five pieces of subsidiary legislation expired at the Council meeting of 11 November 2020.

### **Deliberations of the Subcommittee**

7. Subcommittee members in general support the five items of subsidiary legislation relating to fee waiving or concession measures for the retail and catering sectors. Members consider that the relevant measures help relieve difficulties faced by various businesses in these sectors hit hard by the pandemic and economic downturn. In the course of deliberations, members have taken the opportunity to examine the implementation details of the waivers/concessions.

## Effluent surcharge and fresh water charges

8. Some members are of the view that the waivers/concessions for the trade effluent surcharge and charge for fresh water unfairly benefit large enterprises more than small and medium enterprises, which discharge less sewage and consume less water than large enterprises, as the trade effluent surcharge and charge for fresh water supplied for non-domestic purposes are calculated based on the quantity of sewage discharged and fresh water consumption. Some members have suggested that the Administration should consider allowing low-volume consumers whose trade effluent surcharge and charge for fresh water are below the monthly caps to enjoy the waivers/concessions beyond the four-month waiver period originally ending on 31 March 2021 provided that the accumulative amount of waived surcharge/charge does not exceed the total amount of reduction originally permitted within the waiver period. While taking note of the weakening financial position of the Government due to the increased deficit and reduced fiscal reserve, members have enquired whether the Administration will further extend the waivers/concessions if another round of them is required to support businesses.

9. Regarding the above views on the concession period and the sustainability of concession measures, the Administration has advised that the waivers/concessions target at all enterprises of the relevant sectors regardless of the scale of business. Enterprises of different scales are faced with different levels of operating costs and are equally in need of support. The Sewage Services (Trade Effluent Surcharge) (Amendment) Regulation 2020 aims to extend the waiving of 100% of the trade effluent surcharge payable for one more year from 1 January 2021 to 31 December 2021. The Sewage Services (Sewage Charges) (Amendment) Regulation 2020 aims to extend the reduction of 75% of the sewage charge for fresh water supplied for non-domestic purposes for four more months, subject to a monthly cap of \$12,500 for each meter covered by a water bill from 1 December 2020 to 31 March 2021. It is estimated that over 99% of 250 000 non-domestic consumers would benefit from the sewage charge concessions and the Administration would keep in view the pandemic and economic situation and review whether there is any need for further extending the period of waivers/concessions.

## Liquor licences fees

10. Noting that the Dutiable Commodities (Liquor Licences) (Fees) (Amendment) Regulation 2020 and the Dutiable Commodities (Liquor Licences) (Fees) (Amendment) (Fee Concessions) Regulation 2019 (Amendment) Regulation 2020 seek to extend the waiving or reduction of fees payable for one more year during the period from 1 October 2020 to 30 September 2021 in respect of liquor licences, members have sought information on the arrangement for holders of liquor licences the validity period of which goes beyond the said period, and the arrangement for holders of liquor licences who have their licences revoked during the concession period.

11. The Administration has advised that the fees payable for applications for renewal of/new applications for liquor licences covered by the said period would be subject to waiver/reduction. For holders of a two-year liquor licence which has been granted before the commencement of the said period and would expire beyond the said period, they would be eligible for a refund of the waived/reduced licence fee payable for the said period. Holders of liquor licences who had their licences revoked during the said period would not be eligible for waiver/reduction.

12. In view of the rising unemployment rate, members have enquired whether there would be any waivers/reductions for new applications for the relevant licences, so as to encourage people who are unemployed to start their own business.

13. The Administration has advised that apart from the waivers/reductions on licence fees of liquor licences which require legislative amendments, there are also waivers/reductions on some other licence fees related to hawkers, restaurants, bakeries, siu mei/lo mei shops, etc. implemented administratively. New applications for these licences during 1 October 2020 to 30 September 2021 would enjoy the waiver/reduction measures.

14. Members have urged the Administration to publicize the above measures to the public as more people starting their own business could help alleviate the unemployment situation. The Administration undertook to relay members' views to the relevant bureaux/departments for consideration.

**Recommendation**

15. The Subcommittee has completed scrutiny of the subsidiary legislation.

**Advice sought**

16. Members are invited to note the deliberations of the Subcommittee as set out above.

Council Business Division 1  
Legislative Council Secretariat  
25 November 2020

## Appendix I

### Subcommittee on Five Pieces of Subsidiary Legislation Relating to Fee Waiving or Concession Measures for the Retail and Catering Sectors

#### Membership list \*

**Chairman** (Vacant)

**Members** Hon Tommy CHEUNG Yu-yan, GBS, JP  
Hon WONG Ting-kwong, GBS, JP  
Hon SHIU Ka-fai, JP

(Total : 3 members)

**Clerk** Mr Derek LO

**Legal Adviser** Mr Mark LAM

\* Changes in membership are shown in **Annex**.

## Annex to Appendix I

### Subcommittee on Five Pieces of Subsidiary Legislation Relating to Fee Waiving or Concession Measures for the Retail and Catering Sectors

#### Changes in membership

<b>Member</b>	<b>Relevant date</b>
Hon SHIU Ka-chun	Up to 3 November 2020
Prof Hon Joseph LEE Kok-long, SBS, JP	Up to 10 November 2020
Hon IP Kin-yuen	Up to 10 November 2020
Hon HUI Chi-fung	Up to 11 November 2020
Hon Jeremy TAM Man-ho	Up to 11 November 2020
Dr Hon Helena WONG Pik-wan	Up to 12 November 2020
Hon James TO Kun-sun	Up to 12 November 2020
Hon WU Chi-wai, MH	Up to 12 November 2020
Hon Andrew WAN Siu-kin	Up to 12 November 2020
Hon LAM Cheuk-ting	Up to 12 November 2020
Hon KWONG Chun-yu	Up to 12 November 2020
Hon LEUNG Yiu-chung	Up to 15 November 2020
Dr Hon Fernando CHEUNG Chiu-hung	Up to 18 November 2020

[According to the announcement made by the Hong Kong Special Administrative Region Government on 11 November 2020 pursuant to the Decision of the Standing Committee of the National People's Congress on Issues Relating to the Qualification of the Members of the Legislative Council of the Hong Kong Special Administrative Region, Kenneth LEUNG, KWOK Ka-ki, Dennis KWOK Wing-hang and Alvin YEUNG were disqualified from being members of LegCo on 30 July 2020. ]



## **Appendix II**

### **Subcommittee on Five Pieces of Subsidiary Legislation Relating to Fee Waiving or Concession Measures for the Retail and Catering Sectors**

#### **List of the organization which has given views to the Subcommittee**

1. Institution of Dining Art