

LEGISLATIVE COUNCIL BRIEF

Road Traffic Ordinance
(Chapter 374)

ROAD TRAFFIC LEGISLATION (ENHANCING PERSONALIZED POINT-TO-POINT TRANSPORT SERVICES) (AMENDMENT) BILL 2023

INTRODUCTION

At the meeting of the Executive Council on 4 July 2023, the Council **ADVISED** and the Chief Executive **ORDERED** that the Road Traffic Legislation (Enhancing Personalized Point-to-point Transport Services) (Amendment) Bill 2023 (“the Bill”), at **Annex A**, should be introduced into the Legislative Council (“LegCo”). The Bill seeks to implement the following measures –

- (a) introducing a licensing regime for the operation of taxi fleets (“Taxi Fleet Regime”), under which existing taxi owner may assemble taxis to form a fleet and apply to the Transport Department (“TD”) for a Taxi Fleet Licence (“Fleet Licence”) to provide quality taxi services through professional fleet management under a regulated platform;
- (b) increasing the maximum passenger seating capacity of taxis from five to six to provide more choices to the passengers and increase the competitiveness of taxis;
- (c) introducing a two-tier penalty system for certain taxi-driver-related offences of a more serious nature to impose heavier maximum penalties on repeat offenders and updating certain taxi-driver-related offence provisions; and
- (d) increasing the penalties for illegal carriage of passengers for hire or reward by motor vehicles for enhancing the deterrent effect.

JUSTIFICATIONS

2. Currently, taxis constitute the majority of personalised point-to-point transport services, while hire cars provide another kind of personalised point-to-point transport service for special market niches (e.g. hotel and tour service) which do not come under the category of public transport service. In recent years, taxi services and the conduct of some taxi drivers (such as refusal of hire and overcharging) have been subject to increasing criticisms in the community. There are widespread views that the Government should strengthen the regulation of taxi services. Meanwhile, the emergence of ride-hailing service involving illegal carriage of passengers for hire or reward by motor vehicles has continued to exert pressure on the taxi business environment. The taxi trade also recognised the imminent need to improve service quality and enhance the overall image of the taxi trade. There are thus calls from both the community and the trade for the Government to implement initiatives to enhance the quality and sustainability of taxi services. Some quarters of the community have also raised concerns over safety of passengers in relation to traffic accidents involving illegal hire car services.

3. In view of the expectation of the general public and the situation of the taxi trade, the Government has reviewed the overall taxi operation and management, and proposed to take forward a series of initiatives to enhance the overall quality of personalised point-to-point transport services and promote the healthy development of the taxi industry in the long run. Details of the proposed measures are set out in the ensuing paragraphs.

(A) Introducing a Taxi Fleet Regime

4. The existing operation mode of taxis has posed certain limitations to ensuring the overall quality of taxi services in a sustained fashion. At present, there are 18 163 taxi licences in Hong Kong which have been issued without any conditions directly related to service quality. This implies that the Government cannot rely on the taxi licences to penalise taxi owners and drivers for any unsatisfactory services¹. Under the present regime, regulation of taxi services can only be carried out by enforcement actions against taxi drivers' malpractices under the Road Traffic Ordinance (Cap. 374) ("RTO") and its subsidiary legislation. The above situation is further compounded by the

¹ Since existing taxi licences are permanent in nature and renewal is not required, the Government cannot add new licence conditions on these licences. Imposing new conditions on existing licences through legislative amendments will involve much legal complications (if not be infeasible).

scattered ownership of taxi licences with nearly 9 000 licence holders, 75% of whom own one taxi licence². While some taxi owners are more committed to operating the taxi business, some may primarily see the licences, which are freely transferrable in the market, as an investment tool. This makes it difficult for the taxi owners to work together to centrally manage or improve service quality.

5. Against the above background, we consider it necessary to introduce a new regulatory regime that facilitates and encourages professional fleet management, with a view to enhancing taxi service quality as well as promoting long term healthy development of the taxi industry. Under the proposed Taxi Fleet Regime, existing taxi owner may assemble taxis to form a fleet and apply to the TD for a Fleet Licence. Such Fleet Licence would not substitute the existing taxi licence and is not a must for conducting taxi business. The proposed Taxi Fleet Regime serves as a means to encourage those taxi operators who are committed to and capable of forming professional fleet management team to provide quality taxi service under a regulated platform. The key features and benefits of the proposed Taxi Fleet Regime are set out at **Annex B**.

(B) Increasing the maximum passenger seating capacity of taxis

6. Under the prevailing legal requirement, the maximum passenger seating capacity of taxis is five. About 80% of the taxis in Hong Kong are four-passenger seater taxis while the remaining are five-passenger seater taxis. There has been demand in the market for taxis with larger compartment or more passenger seats to serve different commuting needs of the passengers including those who are wheelchair-bound. With a view to meeting such demand and enhancing competitiveness of the taxi trade, some trade members earlier suggested that the Government should consider increasing the maximum passenger seating capacity of taxis from five to six.

7. From passengers' perspective, the introduction of six-passenger seater taxis can provide them with more choices, especially those who travel with more luggage to and from the airport/cross-boundary points or travel with a group of five or six. Passengers may also enjoy more comfortable riding experience since the six-passenger seater taxis usually come with more spacious compartment with larger legroom for passenger seats. Besides, it is noted that some taxi operators are currently using vehicle models with six passenger seats as taxis, but they have to carry out modifications to reduce the seating capacity

² At as 30 April 2023, around 60% of the 18 163 taxi licences are held by about 8 000 individual licence holders, while the remaining 40% are held by 1 000 company licence holders. Among the 9 000 licence holders, around 75% (i.e. 6 758) hold one taxi licence.

so as to comply with the existing legal requirement. Increasing the maximum passenger seating capacity of taxis would allow the trade to make the best use of the relevant vehicle models. Having considered the above, we propose to increase the maximum passenger seating capacity of a taxi from five to six. The fare schedule for six-passenger seater taxis will be the same as that for existing taxis with four or five seats.

(C) Introducing a two-tier penalty system for certain taxi-driver-related offences and updating certain offence provisions

8. To address the strong community aspiration for improved taxi service and increased penalty for misbehaviour and offences on the part of taxi drivers, we propose to introduce a two-tier penalty system and a Taxi-Driver-Offence Points System³ for certain taxi-driver-related offences. The proposed two-tier penalty system covers four taxi-driver-related offences which are of a more serious nature, namely, (a) overcharging; (b) wilfully refusing or neglecting to accept a hire; (c) refusing or neglecting to drive a taxi to the place indicated by a hirer; and (d) defacing, damaging or altering a taximeter. For these four offences, we propose to maintain the maximum fine and terms of imprisonment at the present level (i.e. fine at level 3 (\$10,000) and six-month imprisonment) in the case of first conviction, and increase the maximum penalty to a fine at level 4 (\$25,000) and 12-month imprisonment for subsequent convictions. The proposed two-tier penalty system seeks to impose heavier maximum penalties on repeat offenders so as to strengthen the deterrent effect.

9. We have taken into account the following factors in formulating the proposed two-tier penalty system –

- (a) **Seriousness of offences** – The above-mentioned four offences are of a more serious nature in the sense that they concern fraudulent and/or wilful conducts that result in passengers being charged more than the normal fare and/or directly affect the provision and availability of point-to-point taxi services. We consider it necessary to introduce a two-tier penalty system for these offences to convey a clear message to taxi drivers that second and subsequent convictions will be subject to a higher maximum fine as well as a longer imprisonment term, with a view to increasing the deterrent effect.
- (b) **Relativity of penalties** – We have made reference to other legislation in determining the appropriate maximum penalty level, with a view to maintaining the relativity among penalties for other traffic offences or

³ The proposed Taxi-Driver-Offence Points system is set out in another LegCo brief titled “Taxi-Driver-Offence Points Bill”.

offences of similar nature. As provided under section 39A of the RTO, a two-tier penalty system is applicable to offences relating to drink driving, under which an offender is liable on summary conviction on a first offence to a fine at level 3 (\$10,000) and to imprisonment for six months; and on a second or subsequent conviction to a fine at level 4 (\$25,000) and to imprisonment for 12 months. Also, given that some of the offences covered under the proposed two-tier system concern fraudulent conducts, we have made reference to sections 12 and 32(1) of the Weights and Measures Ordinance (Cap. 68) which provide that offence in relation to fraud in the using for trade of any weighing or measuring equipment is subject to a fine at level 4 (\$25,000) and to imprisonment for 6 months.

10. We also propose to update certain taxi-driver-related offences provisions under the Road Traffic (Public Service Vehicles) Regulations (Cap. 374D) to ensure that they reflect and suit the present circumstances. Details of the proposal are set out at **Annex C**.

(D) Increasing the penalties for illegal carriage of passengers for hire or reward by motor vehicles

11. The Government has been closely monitoring the situation on illegal carriage of passengers for hire or reward and taking a multi-pronged approach comprising enforcement, education and publicity in combating such illicit acts.

12. Despite the Government's multi-pronged approach, the number of cases relating to illegal carriage of passengers for hire or reward by motor vehicles has been on a general rising trend. In the period between 2015 and 2022, the Police took enforcement actions against a total of 473 cases of illegal carriage of passengers for hire or reward.

13. While the Government welcomes the use of new technology including the use of Internet or mobile applications for hailing or booking of legal transport services, the existing laws and regulations in respect of carriage of passengers for hire or reward must be complied with. In the light of the increasing trend in the number of cases of illegal carriage of passengers for hire or reward, in addition to the Government's continuous efforts in enforcement and publicity, we see a need to increase the penalties for illegal carriage of passengers for hire or reward by motor vehicles to enhance the deterrent effect. The Ombudsman also recommended in its Annual Report 2020, regarding the case of "(f)ailing to take effective measures against illegal carriage of passengers for reward by motor vehicles", the expedition of the work of amending the RTO for increasing the penalties for illegal carriage of passengers

for hire or reward.

14. We propose increasing the penalties for illegal carriage of passengers for hire or reward under section 52 and Schedule 4 to the RTO as follows –

- (a) to **raise the maximum fine** from the current level 2 (\$5,000) and level 3 (\$10,000) **to level 3 (\$10,000) and level 4 (\$25,000)** for the first and subsequent conviction(s) respectively; and
- (b) to **lengthen the period of suspension of vehicle licence and impoundment of vehicle** from the current three months and six months **to six months and 12 months** for the first and subsequent conviction(s) respectively.

OTHER OPTIONS

15. The proposals cannot be implemented without introducing legislative amendments. There is no other option.

THE BILL

16. The main provisions of the Bill are set out below –

- (a) **Clause 3** adds a new section 7A to the RTO to empower Secretary for Transport and Logistics to make regulations for the proposed Taxi Fleet Regime.
- (b) **Clauses 7 to 13** amend the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374A) to stipulate requirements relating to the illuminated signs, markings and painting of fleet taxis.
- (c) **Clauses 15 and 31** respectively add a new Part IIA (which contains Divisions 1 to 7) and a new Schedule 1A to Cap. 374D so as to provide for the proposed Taxi Fleet Regime. Details about the key proposed new Divisions and the new Schedule are set out below –
 - (I) **Division 2** provides for matters relating to Fleet Licences, including the application for, and issue and amendment of Fleet Licences.
 - (II) **Division 3** provides for matters relating to fleet taxi certificates.

- (III) **Division 4** provides for the obligations of taxi fleet licensees (“Fleet Licensees”); the requirements on fleet taxis in relation to display of fleet taxi certificates, etc.; and the Commissioner for Transport (“Commissioner”)’s power to give directions in relation to Fleet Licences, services provided by taxi fleets operated under the Fleet Licences and fleet taxis.
- (IV) **Division 5** provides that the Commissioner may appoint public officers to conduct inquiries in respect of Fleet Licensees and fleet taxis; cancel, suspend or vary Fleet Licences; or cancel or suspend fleet taxi certificates.
- (V) **Division 6** provides for the review by Transport Tribunals of certain decisions made by the Commissioner under the new Part IIA.
- (VI) **Schedule 1A** sets out the fees payable for Fleet Licences and fleet taxi certificates.
- (d) **Clauses 16 to 22 and 32** contain amendments to Cap. 374D that relate to fleet taxi stopping places.
- (e) **Clauses 23 to 25, 27 to 30, 33 and 34** contain amendments to Cap. 374D that relate to the hiring of fleet taxis.
- (f) **Clause 47** amends the Third Schedule to Cap. 374A to increase the maximum passenger seating capacity of taxis from five to six.
- (g) **Clauses 49 to 54** amend the RTO, Cap. 374A and Cap. 374D to introduce a two-tier penalty system for certain taxi-driver-related offences and to update certain taxi-driver-related offence provisions.
- (h) **Clauses 55 and 56** amend the RTO to increase the fine that may be imposed, and to lengthen the period for which a vehicle licence may be suspended, for an offence of contravening section 52(3), (5) or (6) of the RTO relating to illegal carriage of passengers for hire or reward by motor vehicles.

LEGISLATIVE TIMETABLE

17. The legislative timetable is as follows –

Publication in the Gazette	7 July 2023
First Reading and commencement of Second Reading debate	12 July 2023
Resumption of Second Reading debate, committee stage and Third Reading	To be notified

IMPLICATIONS OF THE PROPOSAL

18. The proposal has financial, civil service, competition, economic, sustainability and family implications as set out at **Annex D**. The proposal has no environmental, productivity or gender implications. The Bill is in conformity with the Basic Law, including provisions concerning human rights. The Bill will not affect the current binding effect of the RTO and its subsidiary legislation.

PUBLIC CONSULTATION

19. On 8 April 2022, we consulted the Panel on Transport of the LegCo on the introduction of a series of measures to enhance personalised point-to-point transport services (including the proposed measures set out in this brief and the introduction of the Taxi-Driver-Offence Points system). The LegCo Members were generally supportive of the Government’s proposals. We also consulted the Transport Advisory Committee (“TAC”) on the series of proposed measures on 11 April 2022. The TAC Members generally welcomed the proposals and considered that the measures should help enhance taxi service quality.

PUBLICITY

20. A press release will be issued. A spokesperson will be available to answer media enquiries.

ENQUIRIES

21. For any enquiries on this brief, please contact Miss Joyce Kok, Principal Assistant Secretary for Transport and Logistics, at 3509 8214 (relating to the proposed measures regarding taxis); and Mr Percy Leung, Principal Assistant Secretary for Transport and Logistics, at 3509 8196 (relating to the proposed increase of the penalties for illegal carriage of passengers for hire or reward by motor vehicles).

Transport and Logistics Bureau
5 July 2023

Road Traffic Legislation (Enhancing Personalized Point-to-point Transport Services) (Amendment) Bill 2023

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A BILL To

Amend road traffic legislation to introduce a licensing regime for the operation of taxi fleets; to increase the maximum passenger seating capacity of taxis from 5 to 6; to introduce a two-tier penalty system for certain taxi-driver-related offences and to update certain taxi-driver-related offence provisions; to increase the fine that may be imposed, and to lengthen the period for which a vehicle licence may be suspended, for an offence of contravening section 52(3), (5) or (6) of the Road Traffic Ordinance; and to provide for related matters.

Enacted by the Legislative Council.

Part 1 Preliminary

1. Short title

This Ordinance may be cited as the Road Traffic Legislation (Enhancing Personalized Point-to-point Transport Services) (Amendment) Ordinance 2023.

2. Enactments amended

- (1) The enactments specified in Parts 2 to 5 are amended as set out in those Parts.
- (2) In addition, the provisions of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D) set out in column 2 of the Schedule are amended by repealing the words and

characters set out in column 3 of that Schedule and substituting the words and characters set out in column 4 of that Schedule.

Part 2

Introducing Licensing Regime for Operation of Taxi Fleets

Division 1—Amendments to Road Traffic Ordinance (Cap. 374)

3. **Section 7A added**

After section 7—

Add

“7A. Regulation of taxi fleets

- (1) The Secretary may make regulations to provide for—
 - (a) the regulation of the operation of taxi fleets;
 - (b) the powers of the Commissioner to—
 - (i) invite applications for a licence to operate a taxi fleet (*taxi fleet licence*);
 - (ii) determine the maximum number of taxi fleet licences to be issued in respect of each invitation;
 - (iii) grant and refuse an application for a taxi fleet licence;
 - (iv) issue a taxi fleet licence;
 - (v) impose conditions on a taxi fleet licence;
 - (vi) grant and refuse an application for an extension of the validity period of a taxi fleet licence;

- (vii) amend a taxi fleet licence;
 - (viii) cancel, suspend and vary a taxi fleet licence;
 - (ix) give a direction in relation to a taxi fleet licence; and
 - (x) issue a certificate (*fleet taxi certificate*) in respect of a taxi operated under a taxi fleet licence (*fleet taxi*), and cancel and suspend such a certificate;
- (c) the validity period of a taxi fleet licence and a fleet taxi certificate;
 - (d) the power of the Commissioner to exempt the holder of a taxi fleet licence (*fleet licensee*) from complying with a provision of any enactment that applies in relation to a fleet licensee or fleet taxi;
 - (e) the power of the Commissioner to appoint a public officer to conduct an inquiry in respect of a fleet licensee or fleet taxi;
 - (f) the review by a Transport Tribunal of any decision made by the Commissioner under a regulation made under this section;
 - (g) the restriction on the transfer of taxi fleet licences and fleet taxi certificates;
 - (h) the display of fleet taxi certificates and fleet taxi plates on fleet taxis;
 - (i) the designation and use of places where fleet taxis may stop to pick up or set down passengers, and the placing of road markings and traffic signs to indicate such places; and

- (j) any other matters for carrying into effect the provisions of this Ordinance relating to the regulation of the operation of taxi fleets.
- (2) Any regulation made under this section may empower the Commissioner to specify by notice published in the Gazette—
 - (a) the position and manner in which a fleet taxi certificate is to be displayed; and
 - (b) in respect of a fleet taxi plate—
 - (i) its design, construction, size, colour and form (including the size and colour of any letters or characters on it); and
 - (ii) the position and manner in which it is to be displayed.”.
- 4. **Section 13 amended (provision for the Commissioner and others to act and charge fees, and for absolute liability)**
Section 13, after “7,”—
Add
“7A,”.
 - 5. **Section 15 amended (penalties under the regulations)**
Section 15, after “7,”—
Add
“7A,”.
 - 6. **Section 25 amended (power to refuse or cancel licence and to impose conditions in respect of taxis)**
After section 25(3)—

Add

- “(3A) If there is any inconsistency between a condition specified by the Commissioner under subsection (2)(b) and a condition of a taxi fleet licence issued under a regulation made under section 7A, the latter prevails to the extent of the inconsistency.”.

Division 2—Amendments to Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A)

7. Regulation 2 amended (interpretation)

Regulation 2—

Add in alphabetical order

“fleet licensee (車隊持牌人) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);

fleet taxi (車隊的士) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);

general taxi (一般的士) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);

taxi fleet licence (的士車隊牌照) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);”.

8. Regulation 45 amended (taxis to have illuminated signs and markings)

(1) Regulation 45—

Renumber the regulation as regulation 45(1).

(2) Regulation 45(1)—

Repeal

“Every taxi shall”

Substitute

“A general taxi must”.

(3) After regulation 45(1)—

Add

“(2) A fleet taxi must—

- (a) be fitted with an illuminated sign in accordance with the conditions imposed on the taxi fleet licence under which the taxi is operated (*licence conditions*);
- (b) be plainly marked in English and Chinese writing of uniform size not less than 100 millimetres in height on the outside of the vehicle on both the near and off sides with the word “TAXI” and the characters “的士”; and
- (c) if any additional marking is required under the licence conditions—be marked with such marking.”.

9. Regulation 47 amended (painting of vehicles)

(1) Regulation 47(1)—

Repeal

“taxis shall”

Substitute

“general taxis must”.

(2) Regulation 47(3)—

Repeal

“taxi shall”

Substitute

“general taxi must”.

- (3) After regulation 47(3)—

Add

“(3A) The outside of a fleet taxi must be painted in accordance with the conditions imposed on the taxi fleet licence under which the taxi is operated.”.

10. Regulation 52 amended (maintenance of markings and painting of certain vehicles)

Regulation 52—

Repeal

“and taxi shall”

Substitute

“or general taxi, or the fleet licensee in respect of a fleet taxi, must”.

11. Regulation 53 amended (prohibition marking and painting of vehicles other than buses and taxis)

- (1) Regulation 53(1), English text—

Repeal

“No motor vehicle shall be”

Substitute

“A motor vehicle must not be”.

- (2) Regulation 53(1)(a), before “taxi”—

Add

“general”.

- (3) Regulation 53(1)(b), before “taxi”—

Add

“general”.

- (4) After regulation 53(1)—

Add

“(1A) Subject to paragraph (1B), a motor vehicle must not be—

(a) marked with any marking required by these regulations to be on a fleet taxi operated under the relevant licence; or

(b) so marked as to closely resemble such a fleet taxi.

(1B) Paragraph (1A) does not apply if—

(a) the motor vehicle is a fleet taxi operated under the relevant licence; or

(b) the marking marked on the motor vehicle is a marking required by these regulations to be on the motor vehicle.”.

- (5) After regulation 53(2)—

Add

“(3) In this regulation—

relevant licence (有關牌照), in relation to a fleet taxi, means the taxi fleet licence under which the taxi is operated.”.

12. Regulation 54 amended (markings on buses, light buses and taxis)

- (1) Regulation 54(1), English text—

Repeal

“No bus, public light bus, private light bus or taxi shall”

Substitute

“A bus, public light bus, private light bus or taxi must not”.

- (2) Regulation 54(1)(a), after “motor vehicle licence”—

Add

“or a taxi fleet licence”.

13. Regulation 92 amended (restriction on the nature of lamps to be carried)

- (1) Regulation 92(2), English text—

Repeal

“shall”

Substitute

“does”.

- (2) Regulation 92(2)(c)—

Repeal

“the top of the roof of”.

Division 3—Amendments to Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D)

14. Regulation 2 amended (interpretation)

- (1) Regulation 2(1), definition of *authorized person*—

Repeal

“licensee”

Substitute

“passenger service licensee or fleet licensee”.

- (2) Regulation 2(1)—

Repeal the definition of *licensee*.

- (3) Regulation 2(1)—

Add in alphabetical order

“agreed booking fee (協定預約費用), in relation to an arrangement to hire a fleet taxi for a pre-arranged journey that is not an agreed fare arrangement, means any booking fee agreed between the fleet licensee that operates the taxi and the hirer in advance of the journey;

agreed fare (協定車費), in relation to an arrangement to hire a fleet taxi for a pre-arranged journey, means the fare for the hire agreed between the fleet licensee that operates the taxi and the hirer in advance of the journey;

agreed fare arrangement (協定車費安排), in relation to a fleet taxi, means an arrangement to hire the taxi for a pre-arranged journey for an agreed fare;

fleet licensee (車隊持牌人) means the holder of a taxi fleet licence;

fleet taxi (車隊的士) means a taxi the registration mark of which is specified in a taxi fleet licence;

fleet taxi certificate (車隊的士證明書) means a certificate issued under regulation 12N;

fleet taxi stopping place (車隊的士停車處) means an area of road designated under regulation 30A(1) or 31(d);

general taxi (一般的士) means a taxi that is not a fleet taxi;

passenger service licensee (客運持證人) means the holder of a passenger service licence;

pre-arranged journey (預定行程), in relation to a fleet taxi, means a journey in the taxi that is arranged in advance by booking through electronic means or telephone;

taxi fleet licence (的士車隊牌照) means a licence issued under regulation 12E(1) and includes—

- (a) if the licence is amended under regulation 12I or 12J—the amended licence issued under regulation 12L(3)(a); and
- (b) if the licence is varied under regulation 12X(1)(c)—the varied licence issued under regulation 12L(3)(d);”.

15. Part IIA added

After Part II—
Add

“Part IIA

Taxi Fleet Licences

Division 1—Interpretation

12A. Interpretation

In this Part—

specified provision (指明條文) means a provision of any enactment that applies in relation to a fleet licensee or fleet taxi.

Division 2—Taxi Fleet Licences

12B. Commissioner may invite application for licence

- (1) The Commissioner may, by notice published in the Gazette, invite applications for a licence to operate a taxi fleet.
- (2) The Commissioner may determine the maximum number of licences to be issued in respect of each invitation under subregulation (1).
- (3) A notice published under subregulation (1) is not subsidiary legislation.

12C. Application for licence

- (1) A person who wishes to obtain a licence to operate a taxi fleet may, in response to an invitation under regulation 12B(1), apply to the Commissioner for such a licence.
- (2) The application must be made in the form specified by the Commissioner.

12D. Decision on application for licence

- (1) The Commissioner may grant or refuse an application made under regulation 12C.
- (2) In determining the application, the Commissioner may take the following matters into account—
 - (a) the demand for the services to be provided by the taxi fleet proposed to be operated by the applicant;
 - (b) the level of services already provided by existing fleet licensees’ taxi fleets;
 - (c) the standard of the services to be provided by the taxi fleet proposed to be operated by the applicant;

- (d) any other matters the Commissioner considers relevant to the regulation of the operation of taxis.
- (3) The Commissioner must give written notice of the Commissioner's decision on the application to the applicant.
- (4) If the Commissioner refuses the application, the notice must include a statement of the reasons for the refusal.

12E. Issue of licence

- (1) If the Commissioner grants an application under regulation 12D(1), the Commissioner must, in respect of the taxis that the applicant proposes to operate as a taxi fleet, issue to the applicant a licence to operate the taxi fleet.
- (2) When issuing the licence, the Commissioner may impose on the licence any conditions the Commissioner considers appropriate.
- (3) Without limiting subregulation (2), the conditions may relate to one or more of the following matters—
 - (a) the standard of the services provided by the taxi fleet operated under the licence;
 - (b) the keeping of records in relation to the services provided by the taxi fleet;
 - (c) the submission to the Commissioner of returns and accounts in relation to the services provided by the taxi fleet;
 - (d) the minimum number of taxis required to be operated in the taxi fleet;
 - (e) the vehicle requirements of the taxis (including requirements relating to the age, type and carrying

- capacity of the taxis and the equipment or devices to be installed on the taxis);
- (f) the replacement of the taxis;
- (g) the illuminated signs, markings and painting of the taxis;
- (h) the drivers of the taxis.
- (4) The Commissioner must specify in the licence—
 - (a) the period within which the licence is valid (*validity period*);
 - (b) the period before the end of the validity period within which the licensee may apply for an extension of the validity period;
 - (c) the licence number;
 - (d) the name of the licensee;
 - (e) the number of taxis in the taxi fleet operated under the licence;
 - (f) the registration mark of each taxi in the taxi fleet;
 - (g) all conditions imposed under subregulation (2) (if any);
 - (h) all exemptions granted under regulation 12H (if any), including any conditions imposed on the exemptions;
 - (i) the fee payable under regulation 12F(1) for the licence and the date on or before which the fee is payable; and
 - (j) any other particulars the Commissioner considers necessary.

12F. Licence fee

- (1) A fee specified in Schedule 1A is payable for a taxi fleet licence.
- (2) The fee is payable on or before the date specified in the licence.

12G. Validity period of licence and its extension

- (1) A taxi fleet licence is valid for the validity period specified in the licence.
- (2) The validity period so specified must not exceed 5 years.
- (3) A fleet licensee may apply in writing to the Commissioner for an extension of the validity period of the licensee's taxi fleet licence within the period specified in the licence for making such an application.
- (4) The Commissioner may grant or refuse the application.
- (5) The Commissioner must give written notice of the Commissioner's decision on the application to the applicant.
- (6) If the Commissioner refuses the application, the notice must include a statement of the reasons for the refusal.
- (7) If the Commissioner grants the application, the Commissioner may extend the validity period for a further period not exceeding 5 years.
- (8) The validity period may be extended more than once.

12H. Exemption of licensee from specified provision

- (1) The Commissioner may exempt a fleet licensee from complying with any specified provision.

- (2) When granting an exemption, the Commissioner may impose on the exemption any conditions the Commissioner considers appropriate.

12I. Amendment of licence on Commissioner's own initiative

- (1) The Commissioner may, on the Commissioner's own initiative, amend a taxi fleet licence at any time during the validity period specified in the licence.
- (2) However, before exercising the power under subregulation (1), the Commissioner must consult the fleet licensee concerned on the amendment the Commissioner proposes to make (*proposed amendment*).
- (3) After the end of the period for the consultation, the Commissioner may decide—
 - (a) not to exercise the power under subregulation (1); or
 - (b) to exercise the power to—
 - (i) make the proposed amendment; or
 - (ii) vary the proposed amendment in the manner the Commissioner considers appropriate and make the proposed amendment as varied.
- (4) For subregulation (3), the period for the consultation ends on—
 - (a) if the licensee gives written notice of the licensee's agreement to the proposed amendment to the Commissioner within the period of 3 months beginning on the date on which the consultation begins—the date of the notice; or
 - (b) in any other case—the date of expiry of the 3-month period referred to in paragraph (a).

- (5) The Commissioner must give written notice of the Commissioner's decision made under subregulation (3) to the licensee.
- (6) A written notice of the Commissioner's decision made under subregulation (3)(b) must include a statement of the reasons for the decision.
- (7) Subject to subregulation (8) and regulation 12Y(4), the Commissioner's decision under subregulation (3)(b) takes effect on the date specified by the Commissioner in the notice.
- (8) The date specified under subregulation (7) must be later than the end of the period of 21 days beginning on the date on which the notice is given under subregulation (5).
- (9) Subregulations (2), (3), (4), (5), (6), (7) and (8) do not apply if the Commissioner exercises the power under subregulation (1)—
 - (a) to amend the validity period specified in the licence after extending it under regulation 12G(7);
 - (b) to amend the name of the licensee specified in the licence after approving a transfer of the licence; or
 - (c) to amend the licence to specify any exemption granted under regulation 12H, including any conditions imposed on the exemption.

12J. Amendment of licence on application by licensee

- (1) A fleet licensee may apply to the Commissioner to amend the licensee's taxi fleet licence in respect of—
 - (a) the name of the licensee specified in the licence;
 - (b) the number of taxis in the taxi fleet operated under the licence; or

- (c) the registration mark of any taxi in the taxi fleet.
- (2) The Commissioner may grant or refuse an application made under subregulation (1).
- (3) An application under subregulation (1) and its grant or refusal under subregulation (2) must be made during the validity period specified in the licence.
- (4) The Commissioner must give written notice of the Commissioner's decision on the application to the applicant.
- (5) If the Commissioner refuses the application, the notice must include a statement of the reasons for the refusal.

12K. Restriction on transfer of licence

A fleet licensee must not transfer the licensee's taxi fleet licence without the approval of the Commissioner.

12L. Licence to be delivered on amendment etc.

- (1) This regulation applies if a taxi fleet licence is—
 - (a) amended under regulation 12I or 12J;
 - (b) cancelled under regulation 12X(1)(a);
 - (c) suspended under regulation 12X(1)(b); or
 - (d) varied under regulation 12X(1)(c).
- (2) The fleet licensee concerned must deliver the licensee's taxi fleet licence to the Commissioner within 72 hours after the amendment, cancellation, suspension or variation takes effect.
- (3) After a taxi fleet licence is delivered under subregulation (2), the Commissioner must—

- (a) if the licence is amended—amend the licence and issue the amended licence to the licensee;
 - (b) if the licence is cancelled—record the cancellation;
 - (c) if the licence is suspended—withhold the licence until the suspension ends; or
 - (d) if the licence is varied—vary the licence and issue the varied licence to the licensee.
- (4) A person who, without reasonable excuse, contravenes subregulation (2) commits an offence and is liable on conviction to a fine at level 1.

12M. Duplicate licence

- (1) If a taxi fleet licence is lost, damaged, defaced or destroyed, the fleet licensee concerned may apply to the Commissioner for a duplicate taxi fleet licence.
- (2) The Commissioner may issue a duplicate taxi fleet licence—
 - (a) on application by the licensee; and
 - (b) on payment of the fee specified in Schedule 1A.
- (3) A duplicate taxi fleet licence issued under subregulation (2)—
 - (a) is taken to be a licence issued under regulation 12E(1) or 12L(3)(a) or (d) (as the case requires); and
 - (b) has the same effect as the original taxi fleet licence.

Division 3—Fleet Taxi Certificates

12N. Commissioner may issue certificate

The Commissioner may issue a fleet taxi certificate in respect of a fleet taxi operated under a fleet licensee's taxi fleet licence—

- (a) on application by the licensee; and
- (b) on payment of the fee specified in Schedule 1A.

12O. Validity period of certificate

- (1) A fleet taxi certificate is valid—
 - (a) beginning on the date of issue of the certificate; and
 - (b) until the earlier of the following—
 - (i) the end of the period of 12 months beginning on the date mentioned in paragraph (a);
 - (ii) the expiry of the relevant licence.
- (2) However, if the relevant licence is amended under regulation 12I or 12J or varied under regulation 12X(1)(c) to the effect that the registration mark of the fleet taxi to which the fleet taxi certificate relates is no longer specified in the licence, the certificate ceases to be valid on the date on which the amendment or variation takes effect.
- (3) In this regulation—

relevant licence (有關牌照), in relation to a fleet taxi certificate, means the taxi fleet licence to which the certificate relates.

12P. Restriction on transfer of certificate

A fleet taxi certificate issued in respect of a fleet taxi must not be transferred to another vehicle.

12Q. Duplicate certificate

- (1) If a fleet taxi certificate is lost, damaged, defaced or destroyed, the fleet licensee concerned may apply to the Commissioner for a duplicate fleet taxi certificate.
- (2) The Commissioner may issue a duplicate fleet taxi certificate—
 - (a) on application by the licensee; and
 - (b) on payment of the fee specified in Schedule 1A.
- (3) A duplicate fleet taxi certificate issued under subregulation (2)—
 - (a) is taken to be a certificate issued under regulation 12N; and
 - (b) has the same effect as the original fleet taxi certificate.

Division 4—Obligations of Fleet Licensees etc.

12R. Licensee must maintain proper and efficient service

- (1) A fleet licensee must maintain proper and efficient taxi fleet services to the satisfaction of the Commissioner during any period within which the licensee's taxi fleet licence is valid.
- (2) In determining whether a fleet licensee maintains proper and efficient taxi fleet services, the Commissioner may have regard to—

- (a) whether the licensee maintains the services in accordance with—
 - (i) the specified provisions;
 - (ii) the terms and conditions of the licensee's taxi fleet licence; and
 - (iii) the directions given to the licensee under regulation 12S; and
- (b) any other matters the Commissioner considers appropriate.

12S. Commissioner may give direction

- (1) The Commissioner may, after consulting a fleet licensee, give a direction to the licensee in respect of a matter that relates to—
 - (a) the licensee's taxi fleet licence;
 - (b) the services provided by the taxi fleet operated under the licence; or
 - (c) the fleet taxis operated under the licence.
- (2) A direction referred to in subregulation (1)—
 - (a) may be given either generally or in a particular case; and
 - (b) must not be inconsistent with any specified provision or the relevant taxi fleet licence.
- (3) If the Commissioner decides to exercise the power under subregulation (1), the Commissioner must give written notice of the Commissioner's decision and a statement of the reasons for the decision to the licensee.

- (4) Subject to subregulation (5) and regulation 12Y(4), the Commissioner's decision takes effect on the date specified by the Commissioner in the notice.
- (5) The date specified under subregulation (4) must be later than the end of the period of 21 days beginning on the date on which the notice is given under subregulation (3).

12T. Restriction on use of vehicle by licensee

- (1) A fleet licensee must not use a vehicle to provide services under the licensee's taxi fleet licence unless the vehicle is a fleet taxi in respect of the licence.
- (2) A person who, without reasonable excuse, contravenes subregulation (1) commits an offence and is liable on conviction to a fine at level 2 and to imprisonment for 6 months.

12U. Display of fleet taxi certificate and fleet taxi plate

- (1) A fleet taxi certificate, or a proper printout of a fleet taxi e-certificate, must be displayed on a fleet taxi in the position and in the manner specified by the Commissioner by notice published in the Gazette.
- (2) A fleet taxi plate—
 - (a) must be of the design, construction, size, colour and form specified by the Commissioner by notice published in the Gazette; and
 - (b) must be displayed on a fleet taxi in the position and in the manner specified by the Commissioner by notice published in the Gazette.
- (3) The letters or characters on a fleet taxi plate must be in the size and of the colour specified by the Commissioner by notice published in the Gazette.

- (4) A person must not drive or use a fleet taxi, or suffer or permit a fleet taxi to be driven or used if—
 - (a) one or more of the following provisions are not complied with in respect of the taxi—
 - (i) subregulation (1);
 - (ii) subregulation (2);
 - (iii) subregulation (3);
 - (b) a certificate, printout or plate displayed on the taxi, purporting to be a fleet taxi certificate, a printout of a fleet taxi e-certificate or a fleet taxi plate—
 - (i) is damaged, altered or defaced;
 - (ii) does not relate to the taxi fleet licence currently in force in respect of the taxi; or
 - (iii) does not relate to the taxi; or
 - (c) a fleet taxi certificate, or a printout of a fleet taxi e-certificate, that is invalid is displayed on the taxi.
- (5) A person must not display a fleet taxi certificate, a printout of a fleet taxi e-certificate or a fleet taxi plate on a vehicle unless the vehicle is a fleet taxi.
- (6) A person who, without reasonable excuse, contravenes subregulation (4) or (5) commits an offence and is liable on conviction to a fine at level 2 and to imprisonment for 6 months.
- (7) A notice published under subregulation (1), (2) or (3) is not subsidiary legislation.
- (8) In this regulation—

fleet taxi e-certificate (車隊的士電子證明書) means a fleet taxi certificate issued in the form of an electronic record;

proper printout (合規列印本), in relation to a fleet taxi certificate, means a clearly legible printout of the certificate that conforms to the specifications specified by the Commissioner in the conditions of the relevant taxi fleet licence.

12V. Document to be sent for pre-arranged journey

- (1) This regulation applies if a fleet taxi is hired for a pre-arranged journey.
- (2) The fleet licensee that operates the taxi must send a document (in hard copy form or in the form of an electronic record) containing the following particulars to the hirer before the pre-arranged journey starts—
 - (a) either of the following—
 - (i) if the taxi is hired on an agreed fare arrangement—the agreed fare;
 - (ii) in any other case—the agreed booking fee (if any);
 - (b) the name of the licensee and the licensee's taxi fleet licence number;
 - (c) the registration mark of the taxi.
- (3) A person who, without reasonable excuse, contravenes subregulation (2) commits an offence and is liable on conviction to a fine at level 2 and to imprisonment for 6 months.

**Division 5—Cancellation etc. of Taxi Fleet Licences
and Fleet Taxi Certificates**

12W. Commissioner may appoint public officer to conduct inquiry

- (1) The Commissioner may appoint a public officer to conduct an inquiry if the Commissioner has reason to believe that—
 - (a) a fleet licensee fails to maintain proper and efficient taxi fleet services in accordance with regulation 12R; or
 - (b) in respect of a fleet taxi—
 - (i) any condition of the taxi fleet licence to which the taxi relates has not been or is not being complied with; or
 - (ii) any specified provision has not been or is not being complied with.
- (2) A public officer appointed under subregulation (1) must—
 - (a) fix a time and place for the inquiry; and
 - (b) give written notice of the time and place of the inquiry to the licensee at least 21 days before the inquiry takes place.
- (3) A public officer who conducts an inquiry may postpone the inquiry and, if the officer does so, the officer must give written notice to the licensee specifying the date to which the inquiry has been postponed.
- (4) At an inquiry, the public officer who conducts it must consider—

- (a) any evidence received by the officer, whether tendered on behalf of the licensee or otherwise; and
- (b) any oral or written representations made by or on behalf of the licensee.
- (5) After an inquiry, the public officer who conducts it must report to the Commissioner.

12X. Commissioner may cancel etc. licence or certificate

- (1) If the Commissioner, after considering a report made under regulation 12W(5), is satisfied as to a matter set out in regulation 12W(1)(a) or (b), the Commissioner may do one or more of the following—
 - (a) cancel the taxi fleet licence concerned;
 - (b) suspend the licence for a period of time the Commissioner considers appropriate;
 - (c) vary the licence in respect of—
 - (i) the number of taxis in the taxi fleet operated under the licence;
 - (ii) the registration mark of any taxi in the taxi fleet;
 - (iii) the validity period of the licence; or
 - (iv) the conditions of the licence;
 - (d) cancel the fleet taxi certificate of the fleet taxi concerned;
 - (e) suspend the certificate for a period of time the Commissioner considers appropriate.
- (2) If the Commissioner decides to exercise any power under subregulation (1), the Commissioner must give written

notice of the Commissioner's decision and a statement of the reasons for the decision to the licensee.

- (3) Subject to regulation 12Y(4), the Commissioner's decision takes effect on the date following the end of the period of 21 days beginning on the date on which the notice is given under subregulation (2).

Division 6—Review by Transport Tribunal

12Y. Right to apply for review by Transport Tribunal

- (1) A person aggrieved by a specified decision may apply in writing to the Commissioner for a review of the decision by a Transport Tribunal.
- (2) The application must be made within 21 days beginning on the date on which the written notice of the specified decision is given to the aggrieved person.
- (3) Regulations 55A and 55B apply to an application made under subregulation (1).
- (4) If a person applies under subregulation (1) for a review of a decision referred to in paragraph (c), (e), (f) or (g) of the definition of *specified decision* in subregulation (5), the decision does not take effect until—
 - (a) if the application for the review is deemed to have been withdrawn under regulation 55A(3)—the date specified by the Commissioner in the notice given under regulation 55A(4) for the taking effect of the decision; or
 - (b) if the decision is confirmed or varied by the Transport Tribunal under regulation 55B(2)—the date specified by the Commissioner in the notice

given under regulation 55B(3) for the taking effect of the decision (or the decision as varied).

(5) In this regulation—

specified decision (指明決定) means a decision by the Commissioner—

- (a) to refuse an application for a taxi fleet licence under regulation 12D(1);
- (b) to refuse an application for an extension of the validity period of a taxi fleet licence under regulation 12G(4);
- (c) to amend a taxi fleet licence under regulation 12I(3)(b);
- (d) to refuse an application to amend a taxi fleet licence under regulation 12J(2);
- (e) to give a direction under regulation 12S(1);
- (f) to cancel, suspend or vary a taxi fleet licence under regulation 12X(1)(a), (b) or (c); or
- (g) to cancel or suspend a fleet taxi certificate under regulation 12X(1)(d) or (e).

Division 7—Miscellaneous

12Z. Paid fee not refundable

Any fee paid under this Part is not refundable.”.

16. Regulation 28 amended (public light bus stopping places)

Regulation 28(3)—

Repeal

“shall cause every public light bus stopping place”

Substitute

“must cause a public light bus stopping place designated under subregulation (1)”.

17. Regulation 29 amended (public light bus stands)

Regulation 29(2)—

Repeal

“shall cause every public light bus stand”

Substitute

“must cause a public light bus stand designated under subregulation (1)”.

18. Regulation 30 amended (taxi stands)

(1) Regulation 30(2)—

Repeal

“shall cause every taxi stand”

Substitute

“must cause a taxi stand designated under subregulation (1)”.

(2) Regulation 30(3), English text—

Repeal

“shall” (wherever appearing)

Substitute

“must”.

(3) Regulation 30(3)(c), Chinese text—

Repeal

“一般的士使用”

Substitute

“所有的士之一般使用”。

19. Regulation 30A added

After regulation 30—

Add

“30A. Fleet taxi stopping places

- (1) The Commissioner may designate an area of road as an area within which a fleet taxi may stop for picking up passengers who hire the taxi for a pre-arranged journey.
- (2) The Commissioner must cause a fleet taxi stopping place designated under subregulation (1)—
 - (a) to be delineated on the road by means of a road marking of the type set out in Figure No. 1 of Schedule 4A; and
 - (b) to be indicated by means of a traffic sign of the type set out in Figure No. 2 of Schedule 4A.”.

20. Regulation 31 amended (designation of temporary stands and stopping places)

- (1) Regulation 31(b)—

Repeal

“or”.

- (2) Regulation 31(c)—

Repeal

“stand,”

Substitute

“stand; or”.

- (3) After regulation 31(c)—

Add

“(d) an area within which a fleet taxi may stop for picking up passengers who hire the taxi for a pre-arranged journey,”.

- (4) Regulation 31, English text—

Repeal

“he”

Substitute

“the Commissioner of Police”.

21. Regulation 32 amended (temporary suspension of stands and stopping places)

- (1) Regulation 32(b)—

Repeal

“or”.

- (2) Regulation 32(c)—

Repeal

“stand,”

Substitute

“stand; or”.

- (3) After regulation 32(c)—

Add

“(d) a fleet taxi stopping place,”.

- (4) Regulation 32(ii), English text—

Repeal

“he”

Substitute

“the Commissioner of Police”.

22. Regulation 33 amended (picking up and setting down passengers)

After regulation 33(5)—

Add

“(5A) Despite subregulation (5), the driver of a fleet taxi may stop at a fleet taxi stopping place to pick up passengers who hire the taxi for a pre-arranged journey.”.

23. Regulation 37 amended (obligations of taxi driver)

(1) Regulation 37, English text—

Repeal

“shall”

Substitute

“must”.

(2) Regulation 37(c)—

Repeal

“he”

Substitute

“the driver”.

(3) Regulation 37(e), English text—

Repeal

“his”

Substitute

“the driver’s”.

(4) Regulation 37(f)—

Repeal

“payment.”

Substitute

“payment, unless the taxi is—

(i) a general taxi hired under regulation 38; or

(ii) a fleet taxi hired on an agreed fare arrangement.”.

24. Regulation 38 amended (hiring of public service vehicle as a whole)

Regulation 38(1), before “taxi,”—

Add

“general”.

25. Regulation 39 amended (insurance and driving licence)

(1) Regulation 39—

Repeal

“taxi shall not hire the vehicle to any person unless he”

Substitute

“general taxi must not hire the vehicle to any person unless the registered owner”.

(2) Regulation 39(a), English text—

Repeal

“shall be”

Substitute

“is”.

(3) Regulation 39(b)—

Repeal

“him to drive the public bus, public light bus or taxi”

Substitute

“that person to drive the public bus, public light bus or general taxi”.

26. Regulation 45 amended (general conduct of driver)

- (1) Regulation 45(1)(a), English text—

Repeal

“shall”

Substitute

“must”.

- (2) Regulation 45(1)(b)—

Repeal

“shall be clean and tidy in his person and”

Substitute

“must keep himself or herself clean and tidy and be”.

- (3) Regulation 45(1)(c), English text—

Repeal

“shall”

Substitute

“must”.

- (4) Regulation 45(1)(c), Chinese text—

Repeal

“吸烟”

Substitute

“吸煙”.

- (5) Regulation 45(1)(d) and (e), English text—

Repeal

“shall”

Substitute

“must”.

- (6) Regulation 45(1)—

Repeal paragraph (f)

Substitute

“(f) must, on request by any police officer or traffic warden in uniform or any person authorized by the Commissioner of Police, provide—

- (i) the driver’s name and address; and
- (ii) the name and address of the following person who employs the driver—
 - (A) the passenger service licensee;
 - (B) the fleet licensee; or
 - (C) the owner;”.

- (7) Regulation 45(1)(g), (h), (i) and (j), English text—

Repeal

“shall”

Substitute

“must”.

27. Regulation 45A amended (conduct of passengers in relation to seat belts)

- (1) Regulation 45A—

Renumber the regulation as regulation 45A(1).

- (2) Regulation 45A(1), English text—

Repeal

“shall”

Substitute

“must”.

- (3) Regulation 45A(1)(b)(i)—

Repeal

“pay the legal fare then recorded on the taximeter”

Substitute

“subject to subregulation (2), pay the fare then recorded on the taximeter (*recorded fare*)”.

- (4) Regulation 45A(1)(b)(ii)—

Repeal

“he” (wherever appearing)

Substitute

“the passenger”.

- (5) After regulation 45A(1)—

Add

“(2) For the purposes of subregulation (1)(b)(i)—

- (a) if the taxi is a general taxi hired under regulation 38—the passenger must pay the fare calculated in accordance with regulation 38(1) instead of the recorded fare; or
- (b) if the taxi is a fleet taxi hired for a pre-arranged journey—

- (i) where the taxi is hired on an agreed fare arrangement—the passenger must pay the agreed fare instead of the recorded fare; or
- (ii) in any other case—the passenger must pay the agreed booking fee (if any) in addition to the recorded fare.”.

28. Regulation 47 amended (taxi fares)

- (1) Regulation 47—

Repeal subregulation (2)

Substitute

- “(2) A person who is in charge of a taxi must not charge for the hire of the taxi a fare exceeding the relevant fare.
- (2A) For the purposes of subregulation (2), each of the following persons is in charge of the taxi—
- (a) if the taxi is a general taxi—the registered owner and driver of the taxi;
 - (b) if the taxi is a fleet taxi—the fleet licensee that operates the taxi and the driver of the taxi.”.

- (2) At the end of regulation 47—

Add

“(6) In this regulation—

relevant fare (有關車費) means—

- (a) in relation to a general taxi—
 - (i) if the taxi is hired under regulation 38—the fare calculated in accordance with regulation 38(1); or

- (ii) if the taxi is hired other than under regulation 38—the fare calculated in accordance with the scale of fares specified in Schedule 5; or
- (b) in relation to a fleet taxi—
 - (i) if the taxi is hired for a pre-arranged journey—
 - (A) where the taxi is hired on an agreed fare arrangement—the agreed fare; or
 - (B) in any other case—the fare calculated in accordance with the scale of fares specified in Schedule 5, plus the agreed booking fee (if any); or
 - (ii) if the taxi is hired other than for a pre-arranged journey—the fare calculated in accordance with the scale of fares specified in Schedule 5.”.

29. Regulation 49 amended (use of taximeter, etc.)

- (1) Regulation 49(1), English text—

Repeal

“shall”

Substitute

“must”.

- (2) Regulation 49(1)(b)—

Repeal

“roof”.

- (3) Regulation 49(4)—

Repeal

everything after “higher than”

Substitute

“the fare calculated in accordance with the scale of fares specified in Schedule 5 (*Schedule 5 fare*), the hirer of the taxi is not obliged to pay to the driver more than—

- (a) if the taxi is a fleet taxi hired for a pre-arranged journey—the Schedule 5 fare, plus the agreed booking fee (if any); or
- (b) in any other case—the Schedule 5 fare.”.

- (4) After regulation 49(4)—

Add

“(4A) Subregulations (2), (3) and (4) do not apply in relation to a general taxi hired under regulation 38 and a fleet taxi hired on an agreed fare arrangement.”.

30. Regulation 49A amended (receipts in respect of fares paid for hiring of a taxi)

After regulation 49A(2)—

Add

“(3) Subregulations (1) and (2) do not apply in relation to a general taxi hired under regulation 38 and a fleet taxi hired on an agreed fare arrangement.”.

31. Schedule 1A added

After Schedule 1—

Add

“Schedule 1A

[regs. 12F, 12M, 12N
& 12Q]

**Fees for Taxi Fleet Licence and Fleet Taxi
Certificate**

- | | |
|--|-----------------|
| 1. Taxi fleet licence..... | \$396 per annum |
| 2. Duplicate taxi fleet licence..... | \$125 |
| 3. Fleet taxi certificate..... | \$160 per annum |
| 4. Duplicate fleet taxi certificate..... | \$100”. |

32. Schedule 4A added

After Schedule 4—

Add

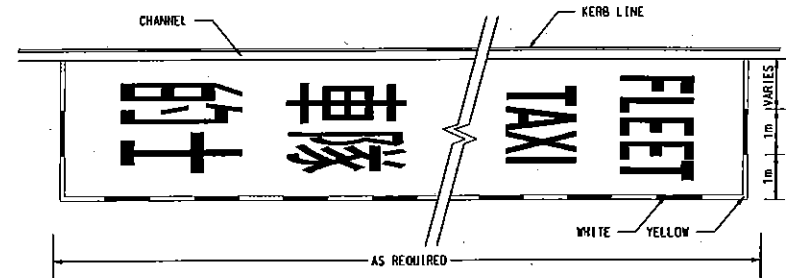
“Schedule 4A

[reg. 30A]

**Road Marking and Traffic Sign for Fleet Taxi
Stopping Place**

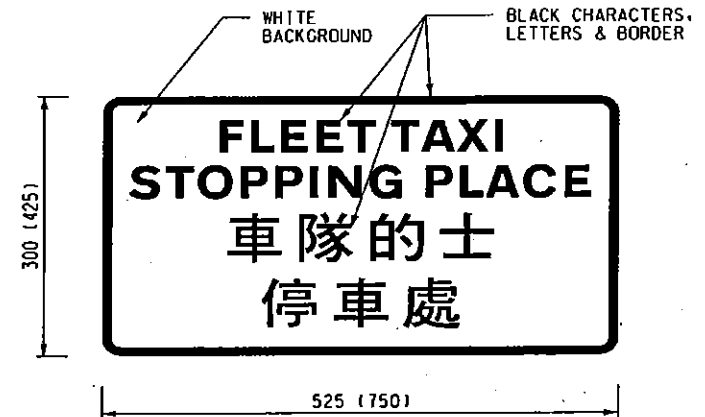
Dimensions of the Figures in this Schedule are in Millimetres
Unless Otherwise Indicated

Figure No. 1



This road marking when placed in conjunction with the traffic sign shown in Figure No. 2 demarcates the limits of a fleet taxi stopping place designated under regulation 30A.

Figure No. 2



This traffic sign when placed in conjunction with the road marking shown in Figure No. 1 demarcates the limits of a fleet taxi stopping place designated under regulation 30A.”.

33. Schedule 5 amended (taxi fares)

- (1) Schedule 5—

Repeal

“[regs. 2, 47”

Substitute

“[regs. 2, 47, 49”.

- (2) Schedule 5, item 4(vii), after “hiring”—

Add

“of a general taxi”.

34. Schedule 9 amended

- (1) Schedule 9, English text, Part I—

Repeal

“shall”

Substitute

“must”.

- (2) Schedule 9, Part I, subparagraph (b)(vii)—

Repeal

everything after “included”

Substitute

“in the fare recorded in respect of such hiring on the taximeter fitted to the taxi—

- (A) by way of item 4 of Schedule 5; and

- (B) (for a fleet taxi) as the agreed booking fee (if any); and”.

- (3) Schedule 9, English text, Part II, subparagraph (a)—

Repeal

“shall”

Substitute

“must”.

- (4) Schedule 9, Part II, subparagraph (a)(v)—

Repeal

everything after “included”

Substitute

“in the fare recorded in respect of such hiring on the taximeter fitted to the taxi—

- (A) by way of item 4 of Schedule 5; and

- (B) (for a fleet taxi) as the agreed booking fee (if any);”.

- (5) Schedule 9, English text, Part II, subparagraph (b)—

Repeal

“shall”

Substitute

“must”.

**Division 4—Amendments to Road Traffic (Traffic Control)
Regulations (Cap. 374 sub. leg. G)**

35. Regulation 45 amended (stopping)

- (1) Regulation 45, English text—

Repeal

“shall”

Substitute

“must”.

- (2) Regulation 45(c)—

Repeal

“or”.

- (3) After regulation 45(c)—

Add

“(ca) fleet taxi stopping place under the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D), unless—

- (i) the vehicle is a fleet taxi (as defined by regulation 2(1) of those regulations); and
(ii) the driver stops the vehicle for picking up passengers who hire the taxi for a pre-arranged journey (as defined by regulation 2(1) of those regulations); or”.

Division 5—Related Amendments

Subdivision 1—Amendment to Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240)

36. Schedule amended (offence)

The Schedule, item 20, after “taxi stand/”—

Add

“fleet taxi stopping place/”.

Subdivision 2—Amendments to Fixed Penalty (Criminal Proceedings) Regulations (Cap. 240 sub. leg. A)

37. Schedule amended

- (1) The Schedule, Form 1, list of offences and fixed penalty, code number 20, after “的士站”—

Add

“、車隊的士停車處”.

- (2) The Schedule, Form 1, list of offences and fixed penalty, code number 20, after “taxi stand/”—

Add

“fleet taxi stopping place/”.

Subdivision 3—Amendments to Mass Transit Railway Ordinance (Cap. 556)

38. Section 33 amended (regulations)

Section 33(3)(e)(i), after “ranks,”—

Add

“fleet taxi stopping places,”.

39. Section 34 amended (bylaws)

- (1) Section 34(1)(d)(ii)—

Repeal

“and taxi ranks”

Substitute

“, taxi ranks and fleet taxi stopping places”.

- (2) Section 34(1)(d)(vi)(A), after “ranks,”—

Add

“fleet taxi stopping places.”

**Subdivision 4—Amendments to Mass Transit Railway
(Transport Interchange) Regulation (Cap. 556 sub. leg. C)**

40. Section 1 amended (interpretation)

- (1) Section 1, definition of *prescribed road marking*, after “Schedule 4”—

Add

“or 4A”.

- (2) Section 1, definition of *prescribed traffic sign*, after “Schedule 4”—

Add

“or 4A”.

41. Section 11 amended (designation of taxi rank)

- (1) Section 11, heading, after “**rank**”—

Add

“**and fleet taxi stopping place**”.

- (2) Section 11(1)—

Repeal

everything after “interchange”

Substitute

“, by means of prescribed traffic signs, prescribed road markings or prescribed light signals, as—

- (a) a taxi rank within which a taxi may stand or ply for hire or set down passengers; or

- (b) a fleet taxi stopping place within which a fleet taxi may stop for picking up passengers who hire the taxi for a pre-arranged journey.”

- (3) Section 11(3)—

Repeal

everything after “designation”

Substitute

“made under subsection (1), whether in respect of the whole area designated or a part of it.”

- (4) After section 11(3)—

Add

“(4) In this section—

fleet taxi (車隊的士) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);

pre-arranged journey (預定行程) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D).”

**Subdivision 5—Amendments to Mass Transit Railway
(Transport Interchange) Bylaw (Cap. 556 sub. leg. D)**

42. Section 1 amended (interpretation)

Section 1(1)—

Add in alphabetical order

“*fleet taxi* (車隊的士) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);

fleet taxi stopping place (車隊的士停車處) means an area of road designated by prescribed traffic signs, prescribed road markings or prescribed light signals, as a fleet taxi stopping place within which a fleet taxi may stop for picking up passengers who hire the taxi for a pre-arranged journey;

pre-arranged journey (預定行程) has the meaning given by regulation 2(1) of the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D);”.

43. **Section 22 amended (taxi rank, taxi bay and taxi queue lane)**

(1) Section 22, heading—

Repeal

“and taxi queue lane”

Substitute

“, taxi queue lane and fleet taxi stopping place”.

(2) After section 22(1)—

Add

“(1A) A vehicle must not enter a fleet taxi stopping place, unless—

(a) the vehicle—

(i) is a fleet taxi; and

(ii) enters the stopping place for picking up passengers for a pre-arranged journey; or

(b) an authorized person directs the vehicle to enter the stopping place.”.

(3) Section 22(2), English text—

Repeal

“shall”

Substitute

“must”.

(4) Section 22(2)—

Repeal

“and taxi queue lane or any part thereof”

Substitute

“, taxi queue lane and fleet taxi stopping place or a part of any of them”.

(5) Section 22(3), English text—

Repeal

“shall”

Substitute

“must”.

(6) Section 22(3)—

Repeal

“and taxi queue lane or any part thereof”

Substitute

“, taxi queue lane and fleet taxi stopping place or a part of any of them”.

44. **Section 25 amended (picking-up and setting-down of passengers)**

After section 25(3)—

Add

“(4) Despite subsection (3), the driver of a fleet taxi may stop at a fleet taxi stopping place to pick up passengers who hire the taxi for a pre-arranged journey.”.

45. **Schedule 2 amended (penalties)**

Schedule 2, Part I, after the entry relating to section 22(1)—

Add

“22(1A) Other vehicles entering fleet taxi \$2,000”.
stopping places

**Subdivision 6—Amendments to Motor Vehicle Idling (Fixed
Penalty) Ordinance (Cap. 611)**

46. **Schedule 1 amended (drivers to whom idling prohibition does
not apply)**

(1) Schedule 1, section 2(1), after “stand”—

Add

“, or a driver of a fleet taxi that is at a fleet taxi stopping place”.

(2) Schedule 1, section 2(6)—

Add in alphabetical order

“*fleet taxi* (車隊的士) has the meaning given by regulation 2(1)
of the Road Traffic (Public Service Vehicles) Regulations
(Cap. 374 sub. leg. D);

fleet taxi stopping place (車隊的士停車處), subject to
subsection (7), has the meaning given by regulation 2(1)
of the Road Traffic (Public Service Vehicles) Regulations
(Cap. 374 sub. leg. D);”.

(3) Schedule 1, section 2(7), after “taxi stand,”—

Add

“fleet taxi stopping place,”.

Part 3

**Increasing the Maximum Taxi Passenger Seating
Capacity**

**Division 1—Amendment to Road Traffic (Construction and
Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A)**

47. **Third Schedule amended (maximum passenger seating capacity)**

Third Schedule—

Repeal

“Taxi 5”

Substitute

“Taxi 6”.

**Division 2—Related Amendments to Motor Vehicles (First
Registration Tax) Ordinance (Cap. 330)**

48. **Section 2 amended (interpretation)**

(1) Section 2(1)—

Repeal the definition of *taxi*

Substitute

“*taxi* (的士) means any motor vehicle constructed or adapted
for use as a taxi within the meaning of the Road Traffic
Ordinance (Cap. 374);”.

- (2) Section 2(1)—
Repeal the definitions of *stand or ply for hire* and *taximeter*.
-

Part 4

Introducing Two-tier Penalty System for Certain Taxi-driver-related Offences and Updating Certain Taxi-driver-related Offence Provisions

Division 1—Amendment to Road Traffic Ordinance (Cap. 374)

49. Section 15 amended (penalties under the regulations)

Section 15—

Repeal

“9 months.”

Substitute

“12 months.”.

Division 2—Amendment to Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A)

50. Regulation 121 amended (offences)

Regulation 121(4)—

Repeal

everything after “is liable”

Substitute

“—

- (a) on a first conviction—to a fine at level 3 and to imprisonment for 6 months; and

- (b) on a subsequent conviction—to a fine at level 4 and to imprisonment for 12 months.”.

Division 3—Amendments to Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D)

51. Regulation 43 repealed (public service vehicle badges)

Regulation 43—

Repeal the regulation.

52. Regulation 45 amended (general conduct of driver)

- (1) Regulation 45(2), English text—

Repeal

“shall”

Substitute

“must”.

- (2) Regulation 45(2)(b)(ii), after the semicolon—

Add

“and”.

- (3) Regulation 45(2)(c)—

Repeal

everything after “hire,”

Substitute

“only stop the taxi—

- (i) at a taxi stand; or
(ii) when being hailed by an intending passenger for pickup,

unless an accident, or another unavoidable cause, compels the driver to stop otherwise than in the circumstances described in subparagraphs (i) and (ii).”.

- (4) Regulation 45(2)—

Repeal paragraph (d).

53. Regulation 57 amended (offences)

- (1) Regulation 57(2)—

Repeal

“43(2), (3) or (4),”.

- (2) Regulation 57(4)—

Repeal

everything before “commits”

Substitute

“(4) A person who, without reasonable excuse, contravenes regulation 37(d) or 40”.

- (3) After regulation 57(4)—

Add

“(5) A person who, without reasonable excuse, contravenes regulation 37(a) commits an offence and is liable—

- (a) on a first conviction—to a fine at level 3 and to imprisonment for 6 months; and
(b) on a subsequent conviction—to a fine at level 4 and to imprisonment for 12 months.

(6) A person who, without reasonable excuse, contravenes regulation 37(b) commits an offence and is liable—

- (a) on a first conviction—to a fine at level 3 and to imprisonment for 6 months; and

- (b) on a subsequent conviction—to a fine at level 4 and to imprisonment for 12 months.
- (7) A person who, without reasonable excuse, contravenes regulation 47(2) commits an offence and is liable—
 - (a) on a first conviction—to a fine at level 3 and to imprisonment for 6 months; and
 - (b) on a subsequent conviction—to a fine at level 4 and to imprisonment for 12 months.”.

54. Regulation 58 substituted

Regulation 58—

Repeal the regulation

Substitute

“58. Power of arrest

If—

- (a) the driver of a public bus, public light bus or taxi who is on duty; or
- (b) an authorized person who is on duty,

believes on reasonable grounds that a person (*that person*) has committed an offence against regulation 45A, 46, 48 or 56, the driver or authorized person may apprehend that person, and detain that person until that person is handed over to a police officer.”.

Part 5

Amendments to Road Traffic Ordinance (Cap. 374) to Increase Penalties for Offences relating to Illegal Carriage of Passengers for Hire or Reward by Motor Vehicles

55. Section 52 amended (restriction on the use of vehicles)

- (1) Section 52(10)(a)—

Repeal

“section, other than subsection (2),”

Substitute

“section (other than subsection (2), (3), (5) or (6))”.

- (2) Section 52(10)(b)—

Repeal the full stop

Substitute a semicolon.

- (3) After section 52(10)(b)—

Add

“(c) subsection (3), (5) or (6) commits an offence and is liable—

- (i) on a first conviction—to a fine at level 3 and to imprisonment for 3 months; and
- (ii) on a subsequent conviction—to a fine at level 4 and to imprisonment for 6 months.”.

56. Schedule 4 amended (offences and periods for which the licence of a motor vehicle may be suspended)

(1) Schedule 4, before item 1—

Add

1A.	Contravention of section 52(3), (5) or (6)	6 months	12 months
-----	--	----------	-----------

(2) Schedule 4, item 1—

Repeal

“52(3), (4), (5), (6) and”

Substitute

“52(4) or”.

Schedule

[s. 2]

Other Related Amendments to Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D)

Column 1	Column 2	Column 3	Column 4
Item	Provision	Repeal	Substitution
1.	Regulation 7(1)(c)	“licensee”	“passenger service licensee”
2.	Regulation 8(1)	“with the licensee”	“with a passenger service licensee”
3.	Regulation 8(1), Chinese text	“予持證人”	“予該持證人”
4.	Regulation 9, heading	“licensee”	“passenger service licensee”
5.	Regulation 9	“licensee”	“passenger service licensee”
6.	Regulation 11(1)	“licensee”	“passenger service licensee”

Road Traffic Legislation (Enhancing Personalized Point-to-point Transport Services)
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Column 1	Column 2	Column 3	Column 4
Item	Provision	Repeal	Substitution
7.	Regulation 11A	“licensee”	“passenger service licensee”
8.	Regulation 12(1)(a)	“licensee”	“passenger service licensee”
9.	Part V, heading	“Licensees”	“Passenger Service Licensees”
10.	Regulation 42(1)	“licensee”	“passenger service licensee”
11.	Regulation 44	“licensee”	“passenger service licensee”
12.	Regulation 46(1)(j)(iii) and (2)(b)(ii)	“licensee”	“passenger service licensee”
13.	Regulation 50(5)	“licensee”	“passenger service licensee”
14.	Regulation 51(2)	“licensee”	“passenger service licensee”
15.	Regulation 52(1)	“a licensee”	“a passenger service licensee”

Road Traffic Legislation (Enhancing Personalized Point-to-point Transport Services)
(Amendment) Bill 2023

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Column 1	Column 2	Column 3	Column 4
Item	Provision	Repeal	Substitution
16.	Regulation 52(1), Chinese text	“示持證人”	“示自己”

Explanatory Memorandum

The main purposes of this Bill are—

- (a) to introduce a licensing regime for the operation of taxi fleets;
- (b) to increase the maximum passenger seating capacity of taxis from 5 to 6;
- (c) to introduce a two-tier penalty system for certain taxi-driver-related offences and to update certain taxi-driver-related offence provisions; and
- (d) to increase the fine that may be imposed, and to lengthen the period for which a vehicle licence may be suspended, for an offence of contravening section 52(3), (5) or (6) of the Road Traffic Ordinance (Cap. 374) (*Cap. 374*).

2. The Bill contains 5 Parts and a Schedule.

Part 1—Preliminary

3. Clause 1 sets out the short title.

Part 2—Introducing Licensing Regime for Operation of Taxi Fleets

4. Part 2 contains 5 Divisions.

Division 1—Amendments to Cap. 374

5. Clause 3 adds a new section 7A to Cap. 374 to empower the Secretary for Transport and Logistics to make regulations for the regime for issuing licences to operate taxi fleets (*taxi fleet licences*).
6. Sections 13 and 15 of Cap. 374 (*those sections*) elaborate on the regulation making powers under Cap. 374 and clauses 4 and 5 amend those sections by adding a reference to the new section 7A, so that

regulations made under the new section 7A may provide for the matters set out in those sections.

7. Clause 6 adds a new subsection (3A) to section 25 of Cap. 374 to clarify that if there is any inconsistency between a condition of a vehicle licence imposed under that section and a condition of a taxi fleet licence, the latter prevails.

Division 2—Amendments to Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A)

8. For interpreting the Road Traffic (Construction and Maintenance of Vehicles) Regulations (Cap. 374 sub. leg. A) (*Cap. 374A*) as amended by the Bill, clause 7 amends regulation 2 of Cap. 374A to set out new definitions of certain expressions.
9. Clauses 8, 9, 10, 11, 12 and 13 respectively amend regulations 45, 47, 52, 53, 54 and 92 of Cap. 374A to stipulate requirements relating to the illuminated signs, markings and painting of taxis operated under taxi fleet licences (*fleet taxis*).

Division 3—Amendments to Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D)

10. For interpreting the Road Traffic (Public Service Vehicles) Regulations (Cap. 374 sub. leg. D) (*Cap. 374D*) as amended by the Bill, clause 14 amends regulation 2(1) of Cap. 374D to set out new definitions of certain expressions.
11. Clauses 15 and 31 respectively add a new Part IIA (which contains Divisions 1 to 7) and a new Schedule 1A to Cap. 374D so as to provide for the regime for issuing taxi fleet licences. Details about the new Divisions and the new Schedule 1A are set out in paragraphs 12 to 19.
12. The new Division 1 defines the expression *specified provision*.

13. The new Division 2 provides for matters relating to taxi fleet licences, including—
 - (a) applying for the licences;
 - (b) issuing the licences and their duplicates;
 - (c) paying fees for the licences;
 - (d) specifying the validity periods of the licences;
 - (e) granting exemptions in respect of the licences;
 - (f) amending the licences;
 - (g) restricting the transfer of the licences; and
 - (h) delivering the licences to the Commissioner for Transport (*Commissioner*) under certain circumstances.
14. The new Division 3 provides for matters relating to fleet taxi certificates, including—
 - (a) issuing the certificates and their duplicates;
 - (b) specifying the validity periods of the certificates;
 - (c) paying fees for the certificates; and
 - (d) restricting the transfer of the certificates.
15. The new Division 4 provides for—
 - (a) the obligations of the holders of taxi fleet licences (*fleet licensees*);
 - (b) the requirements on fleet taxis, such as requirements on the display of fleet taxi certificates and fleet taxi plates on fleet taxis; and
 - (c) the Commissioner’s power to give directions in relation to taxi fleet licences, services provided by taxi fleets operated under the licences and fleet taxis.
16. The new Division 5 provides that the Commissioner may—

- (a) appoint public officers to conduct inquiries in respect of fleet licensees and fleet taxis;
 - (b) cancel, suspend or vary taxi fleet licences; or
 - (c) cancel or suspend fleet taxi certificates.
17. The new Division 6 provides for the review by Transport Tribunals of certain decisions made by the Commissioner under the new Part IIA.
18. The new Division 7 provides for miscellaneous matters.
19. The new Schedule 1A sets out the fees payable for taxi fleet licences and fleet taxi certificates.
20. Clauses 16 to 22 and 32 contain amendments to Cap. 374D that relate to fleet taxi stopping places. More specifically—
 - (a) clause 19 adds a new regulation 30A to Cap. 374D, and clause 20 amends regulation 31 of Cap. 374D, to provide for the designation of the stopping places;
 - (b) clause 21 amends regulation 32 of Cap. 374D to provide for the temporary suspension of the stopping places;
 - (c) clause 22 amends regulation 33 of Cap. 374D to set out the circumstances in which fleet taxi drivers may stop at the stopping places;
 - (d) clause 32 adds a new Schedule 4A to Cap. 374D to set out the road marking and traffic sign for indicating the stopping places; and
 - (e) clauses 16, 17 and 18 respectively make related amendments to regulations 28, 29 and 30 of Cap. 374D.
21. Clauses 23 to 25, 27 to 30, 33 and 34 contain amendments to Cap. 374D that relate to the hiring of fleet taxis. More specifically—

- (a) clause 28 amends regulation 47 of Cap. 374D to provide for the fares chargeable for hiring different kinds of taxis;
 - (b) clauses 24 and 25 respectively amend regulations 38 and 39 of Cap. 374D to clarify that those provisions do not apply in relation to the hiring of fleet taxis; and
 - (c) clauses 23, 27, 29, 30, 33 and 34 respectively make related amendments to regulations 37, 45A, 49 and 49A of, and Schedules 5 and 9 to, Cap. 374D.
22. Clause 26 amends regulation 45 of Cap. 374D to, among other things, require the provision of certain information of fleet licensees by fleet taxi drivers under certain circumstances.

Division 4—Amendments to Road Traffic (Traffic Control) Regulations (Cap. 374 sub. leg. G)

23. Clause 35 amends regulation 45 of the Road Traffic (Traffic Control) Regulations (Cap. 374 sub. leg. G) to provide that the driver of a vehicle must not stop within an area designated as a fleet taxi stopping place under Cap. 374D unless certain conditions are satisfied.

Division 5—Related Amendments

24. Clauses 36 to 46 make related amendments to the following enactments—
- (a) the Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240);
 - (b) the Fixed Penalty (Criminal Proceedings) Regulations (Cap. 240 sub. leg. A);
 - (c) the Mass Transit Railway Ordinance (Cap. 556);
 - (d) the Mass Transit Railway (Transport Interchange) Regulation (Cap. 556 sub. leg. C);

- (e) the Mass Transit Railway (Transport Interchange) Bylaw (Cap. 556 sub. leg. D);
- (f) the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611).

Part 3—Increasing the Maximum Taxi Passenger Seating Capacity

25. Part 3 contains 2 clauses. Clause 47 amends the Third Schedule to Cap. 374A to increase the maximum passenger seating capacity of taxis from 5 to 6.
26. Clause 48 makes related amendments to the Motor Vehicles (First Registration Tax) Ordinance (Cap. 330).

Part 4—Introducing Two-tier Penalty System for Certain Taxi-driver-related Offences and Updating Certain Taxi-driver-related Offence Provisions

27. Part 4 contains clauses 49 to 54. The Part amends the following enactments to introduce a two-tier penalty system for certain taxi-driver-related offences and to update certain taxi-driver-related offence provisions—
- (a) Cap. 374;
 - (b) Cap. 374A;
 - (c) Cap. 374D.

Part 5—Amendments to Cap. 374 to Increase Penalties for Offences relating to Illegal Carriage of Passengers for Hire or Reward by Motor Vehicles

28. Part 5 amends Cap. 374 to increase the fine that may be imposed, and to lengthen the period for which a vehicle licence may be suspended, for an offence of contravening section 52(3), (5) or (6) of Cap. 374 (*relevant offence*). The contravention involves the illegal carriage of

passengers for hire or reward by motor vehicles or related soliciting activities.

29. Clause 55 amends section 52(10) of Cap. 374 to increase the fine for a relevant offence as follows—
- (a) for a first conviction of the offence—the fine at level 2 (which is currently \$5,000) is increased to a fine at level 3 (which is currently \$10,000); and
 - (b) for a subsequent conviction of the offence—the fine at level 3 (which is currently \$10,000) is increased to a fine at level 4 (which is currently \$25,000).
30. Clause 56 amends Schedule 4 to Cap. 374 to lengthen the period of suspension of a vehicle licence in relation to a relevant offence as follows—
- (a) for a first conviction of the offence—the period is lengthened from 3 months to 6 months; and
 - (b) for a subsequent conviction of the offence—the period is lengthened from 6 months to 12 months.

Schedule—Other Related Amendments to Cap. 374D

31. The Schedule contains other related amendments to Cap. 374D.

Other Textual Amendments

32. The Bill also makes certain textual amendments so that the plain language and gender-neutral drafting approaches are adopted.

Key features and benefits of the proposed Taxi Fleet Regime

Framework of the proposed Taxi Fleet Regime

As opposed to the existing licensing regime of general taxis mentioned in paragraph 4 of this brief, the proposed Taxi Fleet Regime will enable the Government to monitor the performance of the Fleet Licensee through statutory requirements and licence conditions. We propose to amend the RTO to confer on the Secretary for Transport and Logistics the power to make regulations to provide for the regulation of the operation of taxi fleets. We also propose to amend the law to provide for the power of the Commissioner to invite, grant and refuse applications for a Fleet Licence. When issuing the Fleet Licence, the Commissioner may impose on the Fleet Licence any conditions that he or she considers appropriate. The key categories of licence conditions under the proposed Taxi Fleet Regime covering the requirements with regard to the Fleet Licensee, licence period, composition and size of taxi fleet, types and age limit of fleet taxi, compartment facilities, online booking channels, fleet taxi drivers, customer services and obligations of the Fleet Licensee are set out at **Enclosure (1)**. We consider it more advisable to set out the detailed requirements relating to the operation of the taxi fleets in the licence conditions, rather than the law, so as to allow a higher degree of flexibility for the Government to adjust the licence conditions in the light of the prevailing circumstances and development of the taxi trade. Besides, in addition to licence conditions that are applicable to all Fleet Licensees, the Commissioner may impose specific conditions on individual Fleet Licence after taking into account the proposals put forward by the Fleet Licensees in their application documents. At any time during the licence period, the Commissioner may, after consulting the Fleet Licensee, amend the terms and conditions of the Fleet Licence and/or give directions in relation to operation of the fleet.

2. Throughout the licence period, the Fleet Licensee must maintain proper and efficient taxi fleet services to the satisfaction of the Commissioner. This includes, but not limited to, maintaining services in accordance with the statutory requirements, the terms and conditions of the Fleet Licence and any direction given by the Commissioner under the law. TD will closely monitor the operation of the taxi fleets and conduct mid-term appraisal of the performance of the Fleet Licensees. The result of the mid-term appraisal will be taken into account in deciding whether or not an application for an extension of the licence period will be granted. At any time during the licence period, if the Commissioner has reason to believe that a Fleet Licensee fails to maintain proper and efficient taxi fleet services, he or she may appoint a public officer to

conduct an inquiry. If the inquiry confirms that the Fleet Licensee is not performing up to standard, the Commissioner may punish the Fleet Licensee by cancelling the Fleet Licence, suspending the Fleet Licence for a period of time, varying the Fleet Licence (e.g. in respect of the licence period or the number of taxis operating under the fleet), and/or cancelling or suspending the fleet taxi certificates of particular fleet taxis (meaning that the fleet taxis concerned are not allowed to operate under the fleet).

Incentives for the taxi trade to participate in the proposed Taxi Fleet Regime

3. To incentivise the taxi trade to participate in the proposed Taxi Fleet Regime, we propose to confer some operating rights to the fleet taxis. This includes allowing the Fleet Licensee to design the livery and marking of its fleet taxis (subject to the approval of the Commissioner). The granting of these rights allows the Fleet Licensee to differentiate its fleet taxis from the general taxis as well as taxis of the other fleets, which in turn facilitates branding and marketing of the fleet, and gives the Fleet Licensee more incentives to enhance quality of its fleet services. We also propose to designate stopping places for pre-booked fleet taxis at airport and cross-boundary points, and publicise the licensed taxi fleet via Government publicity channels (e.g. the E-mobility app, and the websites of Tourism Board and the TD). The above will help increase the competitiveness of fleet taxis and expand the potential clientele.

4. Apart from conferring some operating rights to fleet taxis, we also propose to allow the Fleet Licensee to charge customised fare for pre-arranged trips. The customised fare may be in form of a booking fee (to be agreed with the hirer in advance) to be added on top of the metered fare, or a lump sum fare as agreed with the hirer before the journey starts. The fares for pre-arranged trips may vary depending on the circumstances at the time of booking and the types of taxis requested by the hirer, e.g. higher fares may be charged during peak hours or when the hirer requests for a more luxurious taxi. As for street-hailing trips, we propose that fleet taxis should charge according to the same fare schedule (i.e. the scale of fares specified in Schedule 5 to Cap. 374D as in the case of general taxis).

Benefits of the proposed Taxi Fleet Regime

5. Overall speaking, the proposed Taxi Fleet Regime provides a handle for the Government to monitor and regulate the operation and service quality of fleet taxis, and encourages taxi operators to adopt professional fleet management. It will help address the current difficulty in improving the service quality of taxis due to scattered ownership and the lack of licence conditions relating directly to service quality. More specifically, the proposed Taxi Fleet Regime will bring about a number of benefits to the community/passengers and

the taxi trade (including both owners and drivers) as set out below.

Benefits to the community/passengers

6. Under the proposed Taxi Fleet Regime, Fleet Licensees will be required to meet certain licence conditions so as to ensure that the services provided by the fleet taxis are of high quality. For example, in accordance with the proposed licence conditions, each taxi fleet must comprise certain number (say, 10% of the minimum fleet size) of wheelchair-accessible taxis and more luxurious taxis so as to provide the passengers with a wider choice of vehicle types and to cater for the commuting needs of different groups of passengers. Moreover, all fleet taxis should be comparatively new¹ and be equipped with various passenger facilities, such as WIFI and e-payment facilities, in order to create a better ride experience for the passengers. To facilitate e-booking of fleet taxis, Fleet Licensees will be required to provide online booking channels (including mobile application and website) under which a passenger may book a trip, lodge enquiries and complaints, as well as rate the driver's performance upon completion of a trip. In addition, Fleet Licensees will be required to provide pre-service training to fleet taxi drivers so as to enrich and polish the customer service skills of the drivers, and those drivers of wheelchair-accessible taxis will be further trained on how to provide assistance to wheelchair-bound passengers. We believe that with the various features as set out above, the proposed Taxi Fleet Regime will help address the demand in the community for taxi services of higher quality.

7. Apart from conditions on service quality, there will also be licence conditions with regard to driving safety. All fleet taxis will have to be installed with safety-related devices (such as dash cameras, global positioning system and safety devices that monitor the drivers' driving performance), and Fleet Licensees will be encouraged to hire drivers with good driving records. Besides, we believe that the proposed Taxi Fleet Regime will help attract those operators who are more amenable to adopting technology and modern management tools to facilitate better maintenance and management of both fleet taxis and drivers. All the above will help reduce traffic accidents at source and improve road safety, which is beneficial to drivers, passengers, other road users and the community as a whole.

8. The proposed Taxi Fleet Regime is also conducive to promoting the wider adoption of electric taxis ("e-taxis"). When considering applications for Fleet Licences, TD would award higher scores to applicants who commits to

¹ The vehicle age limit of fleet taxis is proposed to be three years when joining the fleet and ten years throughout the licence period.

adopting more e-taxis as fleet taxis. Also, e-taxis will be subject to a lower taxable value threshold when being assessed whether they qualify as more luxurious taxis under the proposed Taxi Fleet Regime². In addition, with other facilitating measures put forward by the Government (such as the New Energy Transport Fund and the Dedicated 100% Loan Guarantee Scheme for Battery E-taxis) and the requirements on vehicle age of fleet taxis, we believe that Fleet Licensees will be encouraged to replace older taxis with newer and greener taxis. Nevertheless, we do not propose to mandate the use of e-taxis under the proposed Taxi Fleet Regime at this juncture, as a territory-wide charging network for e-taxis is still under development and there are currently not many e-taxi models available on the market. We will keep in view the development of e-taxis and its ancillary facilities, and consider amending the licence conditions as and when appropriate.

9. As illustrated above, the various features and licence conditions of the proposed Taxi Fleet Regime will help promote a number of policy objectives, including fostering disability inclusion, building a smart city, enhancing driving safety and promoting green transport, thereby contributing to building a more liveable community. Besides, we are of view that the proposed Taxi Fleet Regime will not only foster healthy competition among different taxi fleets, but will also promote competition between fleet taxis and non-fleet taxis. This will encourage the taxi trade to strive to provide better and more diversified services with a view to attracting more passengers, thereby enhancing the overall service quality of taxis.

Attractiveness to the taxi trade

10. In addition to benefiting the community/passengers, we believe that the proposed Taxi Fleet Regime will also benefit the taxi trade and promote its healthy and sustainable development. As set out in paragraph 3 above, we propose to confer some operating rights to the fleet taxis, which will help facilitate brand building of different fleets, increase competitiveness of fleet taxis and expand the potential customer base. The above, coupled with enhancement in taxi service quality and creation of a better image of the taxi trade following the introduction of the proposed Taxi Fleet Regime, will help attract more passengers who are in need of personalised point-to-point transport services to take taxis. Besides, the proposal of allowing Fleet Licensees to charge customised fares for pre-arranged trips (which should constitute a majority of the trips provided by fleet taxis) will enable them to adjust the fares

² We propose that each fleet must include a certain number (not less than 10% of the minimum fleet size) of more luxurious taxis. These taxis should be of a taxable value of not less than \$300,000 and have a wheelbase of 2 850 mm or above (which implies a more spacious compartment and better ride quality). To encourage Fleet Licensees to adopt pure e-taxis as fleet taxis, subject to the approval of the Commissioner, the taxable value may be less than \$300,000 if the relevant vehicles are purely electric and meet the wheelbase requirement.

flexibly in view of the prevailing circumstances in the market, thereby enhancing the financial sustainability of the business. Also, the features under the proposed Taxi Fleet Regime (e.g. newer and better equipped taxis, more systematic drivers' management, better support in handling customers' enquiries and complaints, maintenance of an employer-employee relationship between the Fleet Licensees and a certain number of drivers, etc.) should be conducive to creating a better working environment for the taxi drivers, which will help attract new blood to join the trade.

11. Furthermore, as elaborated in paragraph 7 above, the proposed Taxi Fleet Regime will help enhance driving safety and reduce traffic accidents at source. This in turn should have a positive effect in lowering the taxi insurance premiums to be paid by the taxi owners and help make the business more viable. We envisage that this will not only benefit the fleet taxi owners. When it is demonstrated that the various measures (e.g. installation of safety devices and hiring of drivers of good driving records) are indeed useful in lowering the traffic accident rates and hence insurance premiums, we believe that the owners of the general taxis will follow suit and adopt the best practice.

Key categories of licence conditions of the proposed Taxi Fleet Regime

Categories	Proposals
1. Fleet Licensee	- Must be a company incorporated in Hong Kong - Fleet Licensee or one of its shareholders must own fleet taxis of not less than 10% of the minimum fleet size
2. Licence period	- Up to five years initially, which may be extended for a further period or periods each of not more than five years, subject to mid-term appraisal results
3. Fleet composition	- Mixed taxi fleet: Any combination of Urban, New Territories (“NT”) and Lantau taxis - Urban taxi fleet - NT taxi fleet
4. Fleet size	- Mixed or Urban taxi fleet: 300 – 1 000 taxis - NT taxi fleet: 100 – 350 taxis - Subject to review depending on the demand
5. Vehicle types	- Each fleet must include the following types of taxis of not less than 10% of the minimum fleet size – ➤ wheelchair-accessible taxis (to be put into services in phases) ¹ ; ➤ more luxurious taxis ²
6. Vehicle age limit	- Three years when joining the fleet and ten years throughout the licence period

¹ The required number of wheelchair-accessible taxis should be put into services within two years upon issue of the Fleet Licence. For the first batch of wheelchair-accessible taxis that can be put into service when the fleet commences operation, the vehicle age limit may be relaxed to five years.

² These taxis should be of a taxable value of not less than \$300,000 and have a wheelbase of 2 850 mm or above (which implies a more spacious compartment and better ride quality). To encourage Fleet Licensees to adopt pure e-taxis as fleet taxis, subject to the approval of the Commissioner, the taxable value may be less than \$300,000 if the relevant vehicles are purely electric and meet the wheelbase requirement.

Categories	Proposals
7. Compartment facilities	- Fleet taxis must be equipped with in-vehicle devices (e.g. dash cameras, global positioning system, safety devices that monitor the drivers' driving performance, etc.) and passenger facilities (e.g. e-payment facilities, WIFI, etc.)
8. Online booking channels	- Online booking channels (including mobile application and website) must be provided to allow e-booking, lodging of enquiries and complaints and rating of drivers' performance
9. Driver requirements	<ul style="list-style-type: none"> - Drivers must complete pre-service training for taxi service to be arranged by the Fleet Licensees - Drivers of wheelchair-accessible taxis should be trained on how to provide assistance to wheelchair-bound passengers - Fleet Licensee must maintain proper management of its drivers, and issue driving and rest time guidelines to ensure driving safety - Fleet Licensee must maintain an employer-employee relationship with fleet drivers of not less than 10% of the minimum fleet size
10. Customer service	- Fleet Licensee must provide 24-hour customer service hotline
11. Obligations of Fleet Licensee	<ul style="list-style-type: none"> - Fleet Licensee must comply with the statutory requirements and the terms and conditions of the Fleet Licence, and maintain proper and efficient taxi fleet services to the satisfaction of the Commissioner - Fleet Licensee needs to – <ul style="list-style-type: none"> (a) report accidents to TD; (b) keep proper records in relation to fleet operation; (c) submit operating returns to TD; and (d) submit annual audited financial accounts to TD

**Proposed updates to
certain existing taxi-driver-related offence provisions**

In the course of reviewing the penalties for taxi-driver-related offences, we noted that certain offence provisions under Cap. 374D may not suit the present circumstances or may overlap with other legislation. In this connection, we propose to update the following three offence provisions –

- (a) Regulation 43 – According to this regulation, a driver of a taxi, public bus or public light bus shall wear a badge issued by the Commissioner in a conspicuous position when on duty. As drivers of these means of public transport are no longer issued with such badges, we propose to repeal this regulation;
- (b) Regulation 45(2)(c) – According to this regulation, if a taxi is available for hire, the taxi driver shall not loiter or stop elsewhere than at a taxi stand except through accident or unavoidable cause. This requirement seeks to deter several malpractices, including (i) creating taxi stands at inappropriate places and causing obstruction to traffic; (ii) improper behaviour of taxi drivers (e.g. picking up passengers near a taxi stand without queuing up at the taxi stand); and (iii) stopping a taxi near a taxi stand and covering the taximeter in order to cherry-pick passengers. There are views that the meaning of “loiter” is not clear. We therefore propose to amend the wording to better reflect our policy intention¹; and
- (c) Regulation 45(2)(d) – According to this regulation, a taxi driver shall, while conveying passengers to or picking up passengers from any place of public amusement or assembly, draw up in order of arrival and, subject to any direction by a police officer or traffic warden in uniform, drive away immediately after passengers have alighted from or boarded the taxi in such a manner as to cause the minimum obstruction and congestion. As advised by the Police, relevant malpractices may be prosecuted by invoking section 61 of the RTO (*neglecting or refusing to obey direction of a police officer or traffic warden in uniform when such officer/warden is for the time being engaged in the regulation of traffic on a road*) and

¹ The revised regulation provides that a driver, when in charge of a taxi and while the taxi is available for hire, shall only stop the taxi (i) at a taxi stand; or (ii) when being hailed by an intending passenger for pickup, unless an accident, or another unavoidable cause, compels the driver to stop otherwise.

other parking contravention or traffic management offence provisions². Between 2018 and 2022, no taxi driver has been prosecuted or convicted of this offence. We therefore propose to repeal regulation 45(2)(d).

² Examples include section 4 of the Fixed Penalty (Traffic Contraventions) Ordinance (Cap. 237) (*obstruction on roads by motor vehicles*) and regulation 59 of the Road Traffic (Traffic Control) Regulations (Cap. 374G) (*failure to comply with traffic signs and road markings*).

Implications of the proposal

Financial and civil service implications

For the proposed Taxi Fleet Regime, we propose that Fleet Licensee will have to pay fees for the issue of the Fleet Licence and the fleet taxi certificate (and their duplicates). We propose to set the amount of the relevant fees on full-cost recovery basis and will make reference to the existing fees for the issue of a passenger service licence and a passenger service licence certificate¹.

2. For the proposed Taxi Fleet Regime (under which penalties will be imposed upon conviction of offences relating to fleet operation), the proposed two-tier penalty system and the proposal of increasing penalties for illegal carriage of passengers for hire or reward by motor vehicles, fines collected will be credited to the General Revenue Account in accordance with the established practice.

3. Manpower resources and administrative costs (if any) required for implementing the proposals will be absorbed by TD's existing resources. Should further financial and manpower resources be required in future, TD will seek additional resources with justifications in accordance with the established mechanism.

Competition implications

4. For the proposed Taxi Fleet Regime, the Competition Commission ("the Commission") has been consulted concerning the competition aspect. The Commission considers that the proposed Taxi Fleet Regime, as a whole, is pro-competitive, in the sense that it increases competitiveness of taxi hailing services in Hong Kong by offering more diversity and places increased competitive pressure on general taxi services.

¹ The existing fees for the issue of a passenger service licence and a passenger service licence certificate are \$396 per annum and \$160 per annum respectively, whereas the issue of their duplicates are \$125 and \$100 respectively.

Sustainability Implications

5. The proposed increase of the maximum passenger seating capacity of taxis from five to six can expand the client pool of taxis to those who travel with more luggage or with a group of six. Besides, it may increase the number of wheelchair-accessible taxis in the market and facilitate the replacement of older taxis with new six-passenger seater taxis.

Economic Implications

6. For the proposed Taxi Fleet Regime and increase of the maximum passenger seating capacity, to the extent that a large enough number of taxis will change into fleet taxis and more six-passenger seater taxis become available, passengers should be able to benefit from higher taxi service quality and more choices of taxi models to cater for their different commuting needs and preferences. The proposals should be conducive to promoting healthy and sustainable development of the taxi trade in the long run.

7. As for the proposed increase of penalties for illegal carriage of passengers for hire or reward by motor vehicles, it will create additional disincentives for such illegal activities. To the extent that such activities would be deterred, the proposal would help enhance safety and protect interests of passengers and road users.

Family Implications

8. The proposed Taxi Fleet Regime and increase of the maximum passenger seating capacity of taxis may enhance the general taxi service quality, which may in turn attract more passengers to take taxis and bring additional income to frontline drivers. Hence, the proposals should have positive implications to the financial abilities of the families of such drivers.