

立法會
Legislative Council

LC Paper No. LS54/2024

**Paper for the House Committee Meeting
on 25 October 2024**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 16 October 2024**

Tabling in LegCo : Council meeting of 23 October 2024

Amendment to be made by : Council meeting of 20 November 2024 (or that of 11 December 2024 if extended by resolution)

Public Revenue Protection (Duty on Liquor) Order 2024 (L.N. 136)

L.N. 136 is made by the Chief Executive (“CE”) under section 2 of the Public Revenue Protection Ordinance (Cap. 120) after consultation with the Executive Council. It gives immediate effect to the proposal in paragraph 65 of the 2024 Policy Address delivered by CE on 16 October 2024 to reduce the duty on liquor with an alcoholic strength of more than 30% by volume measured at a temperature of 20°C (“Liquor”).

2. Section 2 of Cap. 120 provides, among other things, that if CE approves of the introduction into the Legislative Council (“LegCo”) of a resolution whereby, if the resolution were to become law any duty, tax, fee, rate or other item of revenue would be imposed, removed or altered, CE may make an order giving full force and effect of law to all the provisions of the resolution.

3. L.N. 136, which came into force at 11:00 am on 16 October 2024, is made to give full force and effect to all the provisions in the proposed resolution set out in the Schedule to L.N. 136 (“Proposed Resolution”). The Proposed Resolution seeks to amend Part I of Schedule 1 to the Dutiable Commodities Ordinance (Cap. 109) to revise the existing rate of duty payable on Liquor from 100% of its value to the following duty rates:

- (a) if the volume of Liquor in a bottle (“Subject Volume”)¹ is not more than one litre, the rates of duty payable are 100% on the first HK\$200 of its value, and 10% on the remainder of its value; and
- (b) if the Subject Volume is more than one litre, the duty payable is assessed by multiplying the duty-per-litre for the bottle of Liquor, the rates of which being

¹ If two or more bottles of Liquor are packaged as a single item of goods, they are to be regarded as a single bottle of Liquor, and the total volume of Liquor in the bottles is to be regarded as the Subject Volume. “Bottle” includes a barrel and any other container.

100% on the first HK\$200 of its value-per-litre, and 10% on the remainder of its value-per-litre, with the Subject Volume in litres.

4. The Secretary for Commerce and Economic Development has given notice to move a motion to seek LegCo's approval of the Proposed Resolution at the LegCo meeting of 6 November 2024. Members may refer to our report on the Proposed Resolution (LC Paper No. LS56/2024) for further details of the Proposed Resolution.

5. L.N. 136 is a temporary measure. By virtue of section 5(2) of Cap. 120, L.N. 136 shall expire and cease to be in force upon:

- (a) the notification in the Gazette of the rejection by LegCo of the Proposed Resolution;
- (b) the notification in the Gazette of the withdrawal of the Proposed Resolution or L.N. 136;
- (c) the Proposed Resolution, with or without modification, becoming law in the ordinary manner; or
- (d) the expiration of four months from the day on which L.N. 136 came into force,

whichever event first happens.

6. Pursuant to section 7 of Cap. 120, where L.N. 136 ceases to be in force and is not replaced, with or without modification, by the Proposed Resolution, the duty which was payable immediately before the coming into force of L.N. 136 shall become payable in full again.

7. According to paragraph 14 of the LegCo Brief (File Ref: CEDB SCR 126/18/2) issued by the Commerce and Economic Development Bureau on 16 October 2024, the Administration has formulated the legislative proposal after taking into account views from Members and other stakeholders during the Policy Address consultation process. Owing to the confidentiality of the Policy Address, the Administration has not conducted formal consultation on the proposal before the Policy Address announcement.

8. As advised by the Clerk to the Panel on Financial Affairs, the Panel has not been consulted on L.N. 136.

9. No difficulties have been identified in relation to the legal and drafting aspects of L.N. 136.

Prepared by
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