

立法會
Legislative Council

LC Paper No. LS56/2024

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

**Legal Service Division Report on
Proposed Resolution under section 4(2) of
the Dutiable Commodities Ordinance (Cap. 109)**

The Secretary for Commerce and Economic Development has given notice to move a motion at the Legislative Council (“LegCo”) meeting of 6 November 2024 under section 4(2) of the Dutiable Commodities Ordinance (Cap. 109) to seek LegCo’s approval to reduce the duty on liquor with an alcoholic strength of more than 30% by volume measured at a temperature of 20°C (“Liquor”) with effect from 11:00 am on 16 October 2024 (“Proposed Resolution”). The purpose is to give effect to the proposal in paragraph 65 of the 2024 Policy Address delivered by the Chief Executive (“CE”) on 16 October 2024.

2. The Proposed Resolution seeks to amend Part I of Schedule 1 to 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 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.

3. According to paragraph 5 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 considers that the proposed duty reduction will

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.

stimulate the trading and auction of high-end liquors and related businesses, create more job opportunities and bring overall benefits to society, while appreciating that Liquor duty remains one of the effective ways to curb drinking especially binge drinking.

4. On the day of delivery of the 2024 Policy Address (i.e. 16 October 2024), CE, after consultation with the Executive Council, has made the Public Revenue Protection (Duty on Liquor) Order 2024 (L.N. 136 of 2024) (“Order”) under section 2 of the Public Revenue Protection Ordinance (Cap. 120), which is a temporary measure to give immediate effect to the proposal in paragraph 65 of the 2024 Policy Address. As stated in paragraph 6 of the LegCo Brief, in consideration of the lead time required for the passage of the Proposed Resolution by LegCo, the Order has been made such that Liquor trading activities will not come to a halt pending its passage. The Schedule to the Order contains a proposed resolution to amend Cap. 109, which is identical to the Proposed Resolution. The Order was gazetted on 16 October 2024 for negative vetting by LegCo under section 34 of the Interpretation and General Clauses Ordinance (Cap. 1). Members may refer to our report on the Order (LC Paper No. LS54/2024) for further details of the Order.

5. According to paragraph 14 of the LegCo Brief, 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.

6. As advised by the Clerk to the Panel on Financial Affairs, the Panel has not been consulted on the Proposed Resolution.

7. No difficulties have been identified in relation to the legal and drafting aspects of the Proposed Resolution.

Prepared by

Yvonne WONG
Assistant Legal Adviser
Legislative Council Secretariat
23 October 2024