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本函檔號 Our Ref. : TsyB R 183/535-1/7/0 (25-26) (C)
來函檔號 Your Ref. : LS/B/9/2025

By email

14 March 2025

Legal Service Division
Legislative Council Secretariat
Legislative Council Complex
1 Legislative Council Road
Central, Hong Kong
(Email : jlhcheng@legco.gov.hk)

Dear Mr Cheng,

Air Passenger Departure Tax (Amendment) Bill 2025

Thank you for your letter dated 11 March 2025. Our response to the questions raised is set out below.

To support our streamlining proposal on the existing financial arrangement for handling the payment of administration fee by the Government in the context of the air passenger departure tax ("APDT"), we have quoted relevant provisions under the Road Tunnels (Government) Ordinance (Cap. 368), the Tsing Sha Control Area Ordinance (Cap. 594) and the Waste Disposal Ordinance (Cap. 354) as examples, where the Financial Secretary ("FS") approves the payment to an operator of a Government tunnel and a waste disposal facility, or remuneration/reimbursement retained by the operator under an agreement with the Government, subject to conditions, the payment or remuneration/reimbursement retained shall not form part of the general revenue. The agreements under these Ordinances are management agreements which stipulate, among other things, the obligations of the operators and the administration fees / remuneration that can be paid to them by the Government.

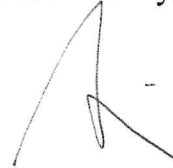
In the case of APDT, the obligations of the airlines and the helicopter company (hereinafter referred to as "aircraft operators") as well as the payment of administration

fee to them are provided under the Air Passenger Departure Tax Ordinance (Cap. 140). There is no separate agreement between them and the Government. In reality, it is also not practical for the Government to negotiate and sign an agreement with each of the airline operating at the Hong Kong International Airport ("HKIA"). Unlike the cases under the abovementioned Ordinances where there is only one operator for each Government tunnel and waste disposal facility, there are more than 120 airlines regularly operating at the HKIA. In addition, the number of airlines changes from time to time and some of the airlines do not have representative offices in Hong Kong.

While no agreement has been signed between the Government and the aircraft operators, according to the established practice, the Civil Aviation Department ("CAD") has informed all of them, and will inform any new ones, of the detailed arrangements for the collection of the APDT in writing, including the information to be filed, the computation of the amount of APDT collected to be retained as administration fee, and the date of transferring the remaining sum to the Government. The CAD will continue this practice to ensure that all aircraft operators will be well-informed of the operational arrangements as well as any updates.

With the APDT Ordinance governing the relationship between the Government and the aircraft operators, as well as the established practice of the CAD to communicate with them on the operational arrangements, we consider it sufficient to empower the FS to approve them to retain part of the APDT collected for offsetting the administration fees payable to them without the need for agreements between them and the Government. The CAD will regularly review the list of aircraft operators required to collect APDT on behalf of the Government and seek approval from the FS as necessary.

Yours sincerely,



(Miss Josephine TSANG)

for Secretary for Financial Services and the Treasury

c.c.

Civil Aviation Department
Department of Justice

(Attn: Ms Eileen Yuen)
(Attn: Mr Wallance Ng)