

**Business Facilitation Advisory Committee
Food Business and Related Services Task Force**

***Proposed Regulatory Control on the
Disposal of Used Cooking Oil from Licensed Food Premises***

Purpose

This paper briefs the Food Business and Related Services Task Force on the proposed regulatory control on the disposal of used cooking oil (UCO) from licenced food premises.

Background

2. In September 2014, a substandard lard incident occurred in Taiwan in which substandard cooking oil, such as collected waste oils and/or lard for animal feed, had found its way into the Taiwan market and was used for the production of food for sale. Some of the contaminated lard/lard products were imported into Hong Kong and used to manufacture food products. The incident has aroused grave concern from the public and the food trade about the food safety of cooking oil.

3. Food premises generate UCO, including grease trap waste and other cooking oil as by-product in the course of their business activities. At present, some local food premises operators separate UCO from other food waste and sell it to UCO collectors. UCO collectors then export it or sell it to other recyclers for legitimate industrial uses, including production of biodiesel. There is at present no specific regulation on the sale and collection of UCO as a commodity, hence there is a risk that UCO might be sold to unscrupulous traders who would reprocess it into cooking oil. This substandard cooking oil if used for the manufacturing of food may pose health hazards to consumers.

Proposed Measures to Step up Control on the Flow of UCO

4. In light of the experience gained from tackling the Taiwan's "substandard lard" incident and to prevent UCO from being reprocessed into edible cooking oil, the Government proposes to introduce administrative / regulatory measures to ensure the legitimate recycling of UCO generated by local licensed food premises. Consideration has been given to requiring, through the licensing condition for food business licences, all UCO to be handed over to collectors, recyclers or exporters recognised by the Environmental Protection Department (EPD).

5. Under the proposal, EPD would only recognise UCO collectors, recyclers and exporters who have demonstrated their capability to handle UCO in a proper and environmentally-friendly manner. These recognised UCO traders would only be allowed to carry out UCO business among themselves. They would also be required to maintain proper transaction records in order to keep track of the flow of UCO. In parallel, the Food and Environmental Hygiene Department (FEHD) would impose a new licensing condition on all restaurant, factory canteen, food factory and bakery licences requiring that UCO generated from the licensed food premises should only be collected by or delivered to UCO collectors, recyclers or exporters recognised by EPD and that proper records should be kept. Small quantities of UCO that are already mixed with other kitchen waste and cannot be separated would be exempted. Subject to the effectiveness of the above proposed administrative measures, EPD would consider strengthening the control by legislative measures in order to provide legal backing to the arrangement.

6. According to the UCO trade, the local biodiesel plants have sufficient capacity to process UCO generated from some 20 000 licensed restaurants, factory canteens, food factories and bakeries. The UCO trade is also prepared to work out the collection arrangement with restaurants at distant locations.

Tentative Implementation Timeline

7. EPD plans to invite UCO collectors, recyclers and exporters to apply for recognition by EPD starting from September 2015. This would allow the

UCO trade to have time to familiarize themselves with the proposed measures in the interim. EPD would also publish names and details of the recognised parties by business categories on its website. The food trade might then make reference to the list and start the preparation work for disposing of UCO to recognized collectors. After that, FEHD would impose the new licensing condition in late 2015/early 2016.

Advice Sought

8. Members are invited to note and comment on the content of this paper.

**Food and Environmental Hygiene Department
Environmental Protection Department
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