

**Twenty-eighth Meeting of  
the Business Facilitation Advisory Committee**

***Agenda Item 3(a) : Report on the work of the  
Wholesale and Retail Task Force***

**Purpose**

This paper reports on the work of the Wholesale and Retail Task Force (WRTF) since the last Business Facilitation Advisory Committee meeting held on 27 November 2014.

**Work progress of WRTF**

***Implementation of the extension of Plastic Shopping Bag Charging to all retail outlets***

2. The Environmental Protection Department (EPD) has briefed WRTF on the full implementation of the Plastic Shopping Bag (PSB) Charging, which will take effect on 1 April 2015, and the related trade facilitation and publicity measures.

3. WRTF considers that it is important for both the trade and the public to be fully aware of the new regulation in order to ensure its smooth implementation. Noting that there are over 100,000 retail outlets in Hong Kong and the majority of them are in the small scale of business, WRTF is concerned whether the publicity and education programmes conducted by EPD are sufficient to reach out to the small retail operators. WRTF requests EPD to step up the publicity programmes and suggests that the \$2,000 fine should be emphasized in the publicity so as to achieve a greater deterrent effect on the trade.

4. WRTF envisages that there would be potential conflicts between retailers and customers at the initial stage of implementation since the new regulation is more complicated than the existing one. Therefore, WRTF urges EPD to adopt a more flexible approach in their enforcement at the initial stage, giving retailers and the general public sufficient time to adapt to the new regulation.

5. As advised by EPD, the PSB charge kept by retailers should be subject to profit tax. However, retailers are not required under the new regulation to keep records of the PSBs distributed and the charges collected. In this regard, they, especially SMEs, may have practical difficulty to file tax returns on this item. WRTF suggests EPD to consult the Inland Revenue Department accordingly.

6. WRTF appreciates EPD's efforts in facilitating the trade and will keep in view the progress of implementation.

***Proposed regulatory framework on nutrition and health claims on infant formula, follow-up formula, and prepackaged foods for infants and young children under the age of 36 months in Hong Kong***

7. The Food and Health Bureau (FHB) and the Centre for Food Safety (CFS) have briefed WRTF on the proposed regulatory framework.

8. WRTF has divergent views on the proposed regulatory framework. Some members support it and consider that an inclusive approach should be adopted like most of the overseas jurisdictions have. Others express reservation and consider that the proposed regulatory framework will hinder traders to market their products and hence will not be conducive to good business environment. Moreover, it will not be fair just to regulate formula products while allowing other products, such as cosmetics, to make claims.

9. Regarding the Government's proposal to establish a list of approved claims by way of application by the trade, WRTF considers that the trade will incur considerable efforts and time to comply with this requirement and the small traders will likely have difficulties in obtaining the relevant supporting documents for making the application. WRTF suggests the Government to obtain the approved claims from overseas jurisdictions and draw up the list for the trade's compliance.

10. On the length of the grace period, WRTF considers that if the list of approved claims is drawn up by the Government, then an 18-month grace period will probably be sufficient because during the grace period, traders can focus on the re-packaging and other actions. However, if traders are required to make applications themselves, then it is difficult for the trade to comment on the length of the grace period because the time required for the Government to approve the applications is not known at this stage.

11. Regarding the proposal that claims rejected by the country of origin or another country will not be considered in Hong Kong, WRTF suggests that the Government should only go with claims rejected by internationally renowned authorities and not just any authorities.

12. WRTF urges the Government to take a balanced approach in assessing the views on the regulatory framework collected during the consultation. It also requests FHB to conduct a business impact assessment and to develop appropriate measures to minimize business compliance costs before the regulatory proposal is finalized.

### ***Microbiological Guidelines for Food***

13. CFS has briefed WRTF on the updated Microbiological Guidelines for Food which have come into effect on 14 August 2014. The Guidelines are used by CFS in the interpretation of microbiological analyses of foods and also provide reference to the trade in devising measures to improve their food safety practices.

14. WRTF notes that between August and December 2014, less than 1% of the food samples tested for foodborne pathogens were found to be unsatisfactory. WRTF appreciates the facilitation efforts of CFS in helping the trade to comply with the Guidelines.

### **Way forward**

15. Members are invited to note the work progress of WRTF. The Task Force will continue to monitor the development of the above issues.

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March 2015