

**Thirty-second Meeting of  
the Business Facilitation Advisory Committee**

***Agenda Item 4 : Report on the progress of the  
“Be the Smart Regulator” Programme  
– July 2016 update***

**Purpose**

This paper reports on the progress of the “Be the Smart Regulator” Programme<sup>1</sup> (the Programme) since the last Business Facilitation Advisory Committee meeting held on 31 March 2016.

**Latest progress**

***Overview***

2. All the 30 participating bureaux and departments (B/Ds) continue to sustain momentum in enhancing their business licensing services in Hong Kong. Good progress has been made on various fronts to improve our overall business licensing environment and long-term competitiveness. Major highlights are summarised below.

***Efficiency improvement measures in connection with the World Bank’s “Doing Business” Report***

3. The Economic Analysis and Business Facilitation Unit (EABFU) continues to work with relevant agencies to devise focused measures to improve Hong Kong’s ease of doing business ranking. We have also informed the World Bank of the following one-off support measures

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<sup>1</sup> The Government has launched the Programme since early 2007 to further improve Hong Kong’s overall business licensing environment and long-term competitiveness. The Programme aims to enhance the efficiency, transparency and business-friendliness of Hong Kong’s licensing services and to reduce compliance costs to business while safeguarding public interests.

announced in the 2016-17 Budget Speech by the Financial Secretary to stimulate the economy, support local enterprises and safeguard employment –

- Waiver of the business registration fees for 2016-17. This can reduce the cost of registering a business in the area of “Starting a business”; and
- Reduction in profits tax for 2015-16 by 75% subject to a ceiling of \$20,000 and waiver of rates for 2016-17 subject to a ceiling of \$1,000 per quarter for each rateable property. These measures can reduce the total tax rate in Hong Kong in the area of “Paying taxes”.

### *Major progress in various departments*

4. All participating B/Ds have continued to further enhance their business licensing work in various areas. Some notable examples are –

- The Travel Agents Registry has recently reviewed and streamlined the licence renewal application process. To reduce the trade’s administrative burden, licensees are no longer required to annually inform the Registrar of Travel Agents of their selection of licence language and places where the books of accounts have been kept unless there are changes to this information.
- Hong Kong is the first Asian city mandating ocean going vessels (OGVs) to switch to cleaner fuel while at berth within its waters. To reduce their compliance cost for using cleaner fuel and to maintain Hong Kong’s port competitiveness, OGVs registered with the Environmental Protection Department under an incentive scheme will enjoy the port facilities and light dues concession up to 31 March 2018.
- According to the Gambling Ordinance, companies seeking to organise any trade or business promotion competition which involves chance such as lucky draws must first obtain a Trade Promotion Competition Licence from the licensing authority. To help traders find the application guide and forms, the Home Affairs Department has added an eye-catching icon to the website of the Office of the Licensing Authority to access the information in just one click.

- The Land Registry has launched an e-Alert service for subscription by property owners. The notification service offers an easy, convenient and useful means for property owners to monitor if any instrument affecting their properties has been lodged for registration.

### ***Promotion of smart regulation culture and publicity of our business facilitation work***

5. Over the past 12 months, EABFU has organised two experience sharing sessions for 69 staff from 25 participating B/Ds to share ideas and experiences of good regulatory practices. The participants found the workshop interesting and practical.

6. To disseminate and promote our business facilitation work to the relevant trades, two feature articles<sup>2</sup> were published in the “Business Facilitation Corner” of the periodicals of the Hong Kong Federation of Restaurants & Related Trades (May and November 2015 issues) and one<sup>3</sup> in the Hong Kong Retail Management Association Newsletter (Winter 2015 issue).

### ***Business Impact Assessment***

7. The Business Impact Assessment (BIA) on the mandatory use of designated products registered under Water Efficiency Labelling Scheme has commenced. The BIAs on the proposed implementation of section 33 of the Personal Data (Privacy) Ordinance (Cap. 486) regarding transfer of personal data to places outside Hong Kong and the proposed security of payment legislation for the construction industry are underway.

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<sup>2</sup> The feature articles on “Implementation of new measures for compliance with fire safety requirements by food premises – compliance status” and “Smart site selection brings business opportunities in alfresco dining” can be accessed via <http://www.gov.hk/tc/theme/bf/pdf/49.pdf> and [http://www.gov.hk/tc/theme/bf/pdf/51-\(Chi\).pdf](http://www.gov.hk/tc/theme/bf/pdf/51-(Chi).pdf) respectively.

<sup>3</sup> The article highlighting the Government’s business facilitation measures and business consultation relevant to the retail sector can be accessed via <http://www.hkrma.org/file/info/newsletter/winter-2015/#36-37/z>.

8. As part of our continuous efforts to raise B/Ds' awareness of the importance of a proper and thorough assessment of the business impact and compliance costs of their regulatory proposals to the affected trades, a training workshop on the Business Impact Assessment and Business Compliance Costs frameworks was conducted in March 2016 for 24 officers from 19 B/Ds. The participants' feedback on the workshop was positive.

### **Way forward**

9. Members are invited to note the progress of the Programme.

Efficiency Unit,  
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