

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

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

Purpose

This paper updates on the progress of the “Be the Smart Regulator” Programme¹ (the Programme) reported since the last Business Facilitation Advisory Committee meeting held on 22 July 2016.

Latest progress

Overview

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

Hong Kong’s position in the World Bank’s Doing Business 2017 Report

3. The World Bank ranks Hong Kong as the world’s 4th easiest place to do business, up one place from 5th last year, according to its Doing Business 2017 Report (the Report) released on 26 October 2016. This reaffirms our incessant efforts in business facilitation. The top five performers are New Zealand, Singapore, Denmark, Hong Kong and the Republic of Korea. The Report compares the ease of doing business in 190 economies in terms of the 10 indicator sets.

¹ 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.

4. Among the 10 indicators, Hong Kong sustains its high ranking as the 3rd in protecting minority investors. In four other indicators, Hong Kong performs well with improvements in rankings, namely starting a business (from 4th to 3rd), getting electricity (from 9th to 3rd), paying taxes (from 4th to 3rd) and dealing with construction permits (from 7th to 5th). This reflects the Government's continuous efforts to improve the business environment.

5. The Government will study the report carefully to identify scope for further improvement, and will continue to explore ways to improve the business environment by partnering with the business sectors and other stakeholders, and reforming the existing regulatory regimes to ensure that regulation is appropriate.

Major progress in various departments

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

- To facilitate a cinema with multiple theatre houses exhibiting many films at the same time to comply with the relevant requirement under space constraint, the Office for Film, Newspaper & Article Administration has accepted the continuous scrolling of certificates of approval in an electronic display device provided that the copies must be legible and kept displayed in a conspicuous position in or about the entrance to cinema houses during the period of the exhibition of such films;
- To enhance the transparency of information on application and facilitate the trade in the licence applications, the Food and Environmental Hygiene Department has newly uploaded application guides on Offensive Trade Licence, Commercial Bathhouse Licence and Swimming Pool Licence onto its departmental website; and
- In view of the recent rise in the number of application for registration as a kindergarten, the Education Bureau has enhanced the briefing content of kindergarten requirements in its regular briefing sessions on school registration for prospective school operators. This facilitates prospective kindergarten operators to have a more thorough understanding on the requirements of kindergarten operation.

Promotion of smart regulation culture within the civil service and publicity of business facilitation work

7. In September 2016, EABFU organised two workshops on "Business Facilitation and Smart Regulation Culture" for colleagues from 15 departments involved in business licensing/regulatory work. The workshops were well received by the participants.

8. A feature article entitled 'Building a Virtuous Cycle to Enhance Overall Service Quality' was published in the August 2016 issue of the Hong Kong Manager, the official journal of the Hong Kong Management Association. The article² highlights how the Government adopts the 'customer experience management' concept to help identify and prioritise service improvement areas, and take targeted measures to improve licensing services under limited resources.

Business Impact Assessment

9. EABFU is providing assistance on four Business Impact Assessment studies. They are the Amendment of Section 15 of Waterworks Ordinance (Cap. 102) regarding personnel for carrying out the plumbing works; the mandatory use of designated products registered under Water Efficiency Labelling Scheme; 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. These studies are at different stages and their findings will be reported back to the Business Facilitation Advisory Committee at appropriate time.

Way forward

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

Efficiency Unit,
Chief Secretary for Administration's Office
Economic Analysis and Business Facilitation Unit,
Financial Secretary's Office
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² The feature article can be accessed via <http://www.hkma.org.hk/oins/member/E-newsletter/201608/docs/HKMA-CustomerExpectationManagement.pdf?Article>