

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

***Agenda Item 4 : Report on the progress of the
“Be the Smart Regulator” Programme
– September 2020 update***

Purpose

This paper updates on the progress of the “Be the Smart Regulator” Programme ¹ (the Programme) since the last Business Facilitation Advisory Committee (BFAC) meeting held on 12 May 2020.

Latest progress

Overview

2. All the 29 participating bureaux and departments (B/Ds) continue to sustain momentum in enhancing their business licensing services. Good progress has been made on various fronts to further improve the overall regulatory environment for business in Hong Kong and its long-term competitiveness. Major progress is highlighted below.

World Bank’s Doing Business Report

3. Due to COVID-19 epidemic, the new indicator “Contracting with the Government” will not be included for ranking in the next Report. Besides, the World Bank has announced an exercise to review data irregularities for the last five Reports. The publication of the next Report has hence been postponed.

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.

Major progress in various departments

4. The participating departments have developed 132 and 145 business facilitation measures in 2018-19 and 2019-20 respectively to continue improving the efficiency and transparency of licensing services through streamlining procedures, proactive use of information technology, enhancing regulatory requirements, as well as strengthening support and guidance to the trades so as to reduce the compliance costs and remove red tape for trades. Of these measures, 210 (76%) have been completed within 2019-20. These measures have been published on the Business Facilitation Initiatives website for viewing by the business community and the public. Examples of the business facilitation measures implemented since the last meeting are highlighted as follows –

- (a) The Department of Health has upgraded the Electronic Radiation Licensing and Services System to enhance its performance, increase its capacity and extend its coverage to improve its capability of processing radiation licences and facilitate online application for import licences under Cap. 60K by the trades;
- (b) The Office of the Communications Authority has extended the validity period of the Services-based Operator Licences from one year to two years to reduce the administrative burden on telecommunication services providers for annual renewal of the licences and provide the trade with a higher degree of stability in operating their business with an extension of the renewal cycle;
- (c) The Transport Department has relaxed the requirements for applying for commercial vehicle driving licences by shortening the private car/light goods vehicle licence-holding period from three years to one year before application through amendment of the Road Traffic (Driving Licences) Regulations (Cap. 374B) to facilitate drivers of private vehicles/light goods vehicles to join the occupation of commercial vehicle drivers earlier so as to help address the persistent manpower shortage and the ageing problem of commercial vehicle drivers;
- (d) The Marine Department has streamlined the supporting documents required for licence and permit applications, e.g. Composite Permit (Arrival Clearance Permit and Permit to Remain) for Local Vessels and Port Clearance Permit for Local Vessels to save time by applicants in preparing supporting documents and by the Marine Department in vetting these supporting documents; and

- (e) The Environmental Protection Department has provided an electronic means of submission to facilitate suppliers and sellers of electrical and electronic equipment to submit applications and documents under the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment.

Promotion of business facilitation work

5. We issued a feature article on the measures devised by the Food and Environmental Hygiene Department, Fire Services Department, Buildings Department and Independent Checking Unit of the Office of the Permanent Secretary for Transport and Housing (Housing) to facilitate applicants of the Catering Business (Social Distancing) Subsidy Scheme to obtain full licences in a timely manner and published it in the websites of food business associations.

6. We also published a feature article on measures to further improve the efficiency and transparency of the licensing services for the hotel and guesthouse industry as well as facilitate their compliance with the necessary fire safety and Trade Effluent Surcharge requirements on the website of a trade association for hotels and the Business Facilitation Initiative website of Gov.HK to promote the business facilitation efforts made.

Business impact assessment (BIA)

7. As at September 2020, two BIA studies on waterworks regulation commissioned by the Water Supplies Department are in progress or being finalised, including the studies on the proposed regulatory frameworks of the Mandatory Water Efficiency Labelling Scheme and the Plumbing Works Control System under the Waterworks Ordinance (Cap.102).

Way forward

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

**Business Facilitation Team
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