

Facilitating business through Smart Regulation

Efficiency Office



The Government is stepping up its business facilitation work through reviewing and streamlining existing policies and services.

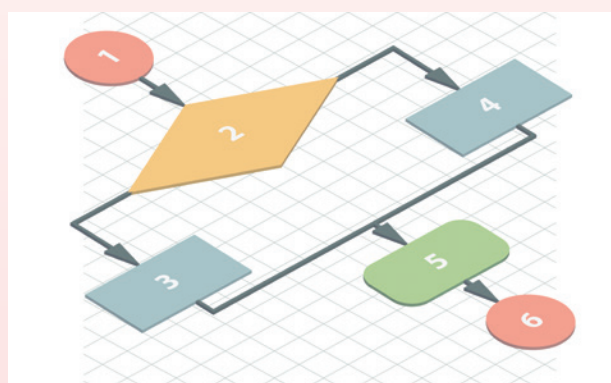
THE Chief Executive has been advocating the Government's new role as a facilitator and promoter of Hong Kong's business sector. She has emphasised the need for policy bureaux and departments to proactively review existing policies and measures, streamline administration and services as well as step up business facilitation work. This policy aims to reduce compliance costs and remove red tape for various industries — further enhancing Hong Kong's overall competitiveness.

To fulfil this policy commitment, policy bureaux and departments (B/Ds) have spared no efforts in taking up these new roles and have proposed a total of 132 new business facilitation measures in 2018 – 19 under the 'Be the Smart Regulator' Programme. These measures aim to reduce the compliance costs and administrative burden to the business sector and create a better business environment for enterprises through different means such as streamlining procedures, proactively applying information technology, enhancing regulatory requirements and strengthening the support services and guidance for the trades. The **Efficiency Office** is responsible for coordinating and overseeing the efforts of the Government in business facilitation.

Streamlining procedures, enhancing licensing efficiency

Many of the 132 new business-facilitation measures seek to reduce the time required to process licence applications by simplifying the approval processes and enhancing the coordination among various departments.

For example, the **Education Bureau (EDB)** has accelerated the initial vetting process for non-local course registration applications. Under the new process, after initially confirming the course information with the applicant, EDB will immediately refer the application to the Hong Kong Council for Accreditation of Academic and Vocational Qualifications for academic assessment while in parallel clarifying the payment and refund arrangements for the course fees with the applicant. The new process reduces the time required for course registration by about 10 days.



The Government implements various new business facilitation measures which will help further streamline the process of licence application.

In addition, the **Water Supplies Department (WSD)** has launched a pilot scheme to streamline the application process for water supply for the catering business. Applicants can now submit plumbing proposals and the proposed lists of pipes and fittings to be installed in one go for approval, which has drastically shortened the time required for approving plumbing proposals and commencement of works from over 100 days to just 30 days.

WSD briefed the plumbing industry on the pilot scheme, and the pilot scheme was highly commended by the plumbing and catering industries. **The chairman and chief executive officer of a Hong Kong catering company, Mr Simon Wong, JP**, thanked the Department for listening to and actively consulting the trade's views in the process of formulating the pilot scheme. The scheme has greatly shortened the time required for obtaining water supply, which facilitates the early opening of new catering businesses.

Because of the effectiveness of the pilot scheme, WSD will extend this streamlined arrangement to applications for water supply in newly built village houses and other premises with simple plumbing systems so as to facilitate earlier completion of the plumbing works and acquisition of water supply.

Applying information technology to improve e-licensing services

When it comes to licensing services, the use of information technology not only helps to shorten the time required for the trade to obtain a licence but also enhances the efficiency and transparency of the licensing procedures of various B/Ds. The Trade Single Window (TSW) is an example.



TSW is developed by the **Commerce and Economic Development Bureau (CEDB)** in collaboration with **more than ten Government agencies** to provide a one-stop electronic platform for the trade to lodge all necessary import and export trade documents with the Government for trade declaration and cargo clearance purposes. Following the launch of the first phase of TSW on 28 December 2018, the trade can submit the relevant trade documents, check the status of their applications at any time and reuse the data submitted for future applications online — saving both time and costs.

Another example of information technology application is the Pharmaceuticals Licence Application and Movement Monitoring System (PLAMMS) developed by the **Department of Health (DH)**. It automates the business processes related to the issuance of import and export licences, thus allowing DH to more effectively prevent drugs imported solely for re-export purpose from entering the local market illegally. This has eliminated the need for courier services and shortened the time required for approving the import and export licences for unregistered pharmaceutical products to one day.

Enhancement of the system has already commenced, extending the scope of licensing services to cover other pharmaceutical products and drugs. The enhancement is scheduled to be completed in the fourth quarter of 2019.

The electronic licensing service provided by PLAMMS facilitates the pharmaceutical industry. **Ms Sabrina Chan, Senior Executive Director of the Hong Kong Association of the Pharmaceutical Industry** said, “The trade greatly welcomes this one-stop electronic licensing system. It allows business operators to apply for import and export permits and print their approved permits round-the-clock, better facilitating the business operation of the trade.”

Information technology services enhance procedures for obtaining licences.

Reviewing regulatory regimes, moving with the times

As regulatory bodies, B/Ds are conscious of the need to constantly review their regulatory regimes and streamline regulatory frameworks through legislative amendments or administrative measures to ensure that they keep pace with the times. They also introduce measures to facilitate the development of the industry without affecting the regulatory intent.



Making amendments to legislation is one of the ways for B/Ds to enhance their regulatory regimes to facilitate market development.

For example, B/Ds can extend the validity period of a licence through administrative measures if the validity period is not governed by law. Starting from 1 January 2019, for instance, the **Civil Engineering and Development Department** has extended the validity period of dumping licences from one year to three years, and issues reminders for renewal applications before licence expiry. Extending the licence validity period saves the time and administrative burden of the operators in renewing their licences, facilitates the operator's long-term business planning, and reduces the internal administrative work of the Government.

Some B/Ds have introduced measures to facilitate market development, without compromising

regulatory objectives, through legislative amendments. For instance, through a piece of new legislation called the Travel Industry Ordinance in lieu of the Travel Agents Ordinance, the **CEDB** seeks to strengthen industry regulation and cater for travel agents' different modes of operation including such measures as obviating the requirement for travel agents to establish a place of business open to the public (i.e. they can choose to carry on business through a website only) so as to facilitate the industry to keep pace with the times.

The **Transport Department (TD)** also completed the legislative amendments in June 2018 to extend the validity period of the taxi and Public Light Bus driver identity plates from one year to ten years, which has reduced the administrative burden of the trades as well as the cost of each renewal. TD also completed the necessary legislative amendments in November of the same year to extend the period of ferry licences which are newly granted or extended from a maximum of three years to a maximum of five years. Apart from relieving the administrative burden of the ferry operators from having to extend their licences frequently, this measure also facilitates them to make longer-term investments, staff training and business planning within the longer licence periods, which is beneficial to the development of the ferry trade.

Connecting and collaborating to enhance the support to trades

Other than the above measures, many B/Ds improve the transparency of licensing services and enhance support for the trades through strengthening guidance on licence applications, providing pre-submission enquiry services, and making more information available online.



Setting up an E&M InnoPortal platform is one of the ways to improve the support to trades.

For example, the **Electrical and Mechanical Services Department** has launched an E&M InnoPortal which is a platform for government departments and public bodies to help match their needs for innovation and technology (I&T) with I&T solutions of start-ups. The departments would also upload validated performance reports of trial cases to the platform for sharing with the public with a view to jointly promoting and driving the research, development and application of I&T in electrical and mechanical services.

Another example is the collaborative and proactive liaison approach adopted by the **Fire Services Department (FSD)** which deploys more effective and business facilitating procedures to process general building plans (GBP) of new buildings and conduct acceptance inspections of fire service installations and equipment (FSI). In respect of the processing of GBPs, FSD has adopted a more flexible policy aiming at reducing repeated submissions and a case officer system aiming at strengthening communication with the Authorised Persons (APs) and the Buildings Department. In respect of the acceptance inspections of FSI, FSD enhances

the standard document checklist and conducts pre-inspection meetings with APs and registered fire service installation contractors on a need basis. FSD also organises regular technical seminars, as well as liaison meetings from time to time with the construction industry to enhance their understanding of the fire safety requirements and standards. With the implementation of the above measures, the time required for issuance of the compliance certificates after receiving the applications for acceptance inspections of FSI has been reduced tremendously, ranging from 8% to 27% for various types of works and projects in 2018.

Mr Eric C.T. Yung, Chairman of The Association of Registered Fire Service Installation Contractors of Hong Kong, highly commended FSD's work on business facilitation. He said, "The relevant measures have made the acceptance inspections of FSI smoother and expedited the process."

Working proactively for the future

Looking ahead, the Government will continue to collaborate with the business sector and explore ways to further enhance the current licensing system building on the current solid foundation. More electronic licensing services will also be provided, leveraging information technology, to make Hong Kong's business environment more competitive. **Hon. Wong Ting-kwong, Chairman of the Business Facilitation Advisory Committee**, affirmed the Government's continual efforts in business facilitation. He said, "The proactive efforts of government departments in streamlining regulatory procedures and requirements have alleviated the operational burden of the business sector, especially start-ups and small and medium enterprises. I fully appreciate their efforts and will continue to support the Government's work in this respect."