

**Tenth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 5 : Report on the progress of the
“Be the Smart Regulator” Programme
– March 2009 update***

Purpose

This paper reports on the progress of the “Be the Smart Regulator” Programme¹ (the Programme) since the last Business Facilitation Advisory Committee meeting held on 13 November 2008.

Latest progress

Overview

2. All 29 bureaux/departments (B/Ds) involved in the Programme have sustained momentum in improving their licensing services. Good progress has been made on various fronts to improve the overall licensing environment for doing business in Hong Kong and contribute to reducing compliance costs to business. In particular, targeted measures have been implemented to improve the turnaround time of issuing licences for the food and hospitality industries. The improvement measures implemented have been well received by the trades.

Efficiency improvement measures in response to the World Bank’s “Doing Business” Report

3. To further streamline the procedures in dealing with construction permits, the “One Stop Centre for Warehouse Construction Permits” (OSC) has commenced operation under the Efficiency Unit (EU) since 1 December 2008. The OSC will initially only process applications for two-storey warehouses. The EU will further examine the feasibility of extending this platform to other building types.

¹ The Government has implemented the Programme since early 2007 to further improve Hong Kong’s licensing processes and business environment. The Programme aims to improve the efficiency, transparency and business-friendliness of Hong Kong’s licensing processes with the aim of reducing compliance costs to the business community while safeguarding public interests.

4. To facilitate the starting of a business, the Companies Registry and the Inland Revenue Department have commenced a joined-up service with the opening of a new Receipt and Despatch Centre in December 2008 to provide one-stop service for company incorporation and business registration.

5. The Economic Analysis and Business Facilitation Unit (EABFU) has informed the World Bank of the above reform programmes regarding the “dealing with construction permits” and “starting a business” indicators. Improvement opportunities for other constituent indicators have also been identified. We have been liaising with B/Ds concerned for their necessary action and will update the World Bank of further improvement initiatives accordingly.

Business facilitation in the Food and Environmental Hygiene Department (FEHD) and Home Affairs Department (HAD)

6. The FEHD and HAD, with the support of the EU, have continued to step up their efforts in enhancing their licensing services.

7. The trade has recognised the Administration’s efforts on the following –

- (a) Development of the e-Liquor Licence System is in full swing. The system will be ready by April for testing. It is aimed to go operational in July 2009;
- (b) The FEHD has trimmed down the furniture and equipment items needed to be shown on approved layout plans, attempting to reduce subsequent requests for alterations due to changes of these items. Additionally, a new simplified application form for Alterations and Additions has been introduced since January 2009; and
- (c) The FEHD, Buildings Department (BD) and Lands Department have agreed to the use of Authorised Persons to certify building safety of pre-1987 New Territories village type houses for alteration applications.

Application Tracking Facilities (ATFs)

8. Three ATFs set up in the FEHD, HAD and Social Welfare Department (SWD) are operating smoothly. Latest developments of the ATFs are as follows –

- (a) The ATF in the HAD was successfully opened up on 31 October 2008 to enable applicants to track the status of their new and renewal applications for all licences under the HAD's purview, i.e. club, hotel and guesthouse, karaoke establishment and bedspace apartment, online. Since the open-up, about 350 applicants (about 39%) have used the facility. On average, each applicant made 3.6 visits. The users rated their satisfaction with the ATF at 3.3 out of a 5-point scale;
- (b) Since the launch of the online tracking service for the FEHD's licences in February 2008, around 1 220 applicants (about 50%) have accessed the website to check their application status. On average, they made 4.7 visits to the facility. The users rated their satisfaction with the ATF at 3.7 out of a 5-point scale; and
- (c) Building on the success of the ATF, the EU is helping the SWD to develop an e-licensing platform for health worker registration and elderly home licences.

Business Liaison Groups (BLGs)

9. The participants from the trades are highly satisfied with the role and functions of the BLGs. The Commissioner of Police, the Director of Food and Environmental Hygiene and the Director of Buildings have recently received commendation letters from trade members praising the positive attitude of their staff in facilitating the business sectors to resolve the licensing issues.

Business impact assessment (BIA) framework

10. The EABFU has developed a draft BIA framework to help B/Ds assess the business impact of their regulatory proposals in a structured and systematic manner. Briefings have been held to introduce the draft BIA framework to B/Ds involved in regulatory/licensing services.

11. In addition, the EABFU has assisted the Food and Health Bureau and the Centre for Food Safety of the FEHD in sourcing and selection of a suitable consulting firm to conduct a BIA study on the proposed Food Safety Bill. The EABFU will continue to offer advice to the Environment Bureau and the Electrical and Mechanical Services Department on the BIA study of the proposed "Mandatory Implementation of the Building Energy Code".

Business consultation e-platform on regulatory proposals

12. The EABFU has developed a business consultation e-platform under the GovHK Portal (www.bce.gov.hk). This e-platform has been live-run since late September 2008 to facilitate the business sectors to access consultation information relating to proposed regulations, administrative measures and procedures that would impact on business, and to offer their views and comments. By the end of February 2009, 16 business consultation items had been placed on the e-platform to consult the trades, and around 7 000 visits from the public were recorded

13. The EABFU has conducted two briefing sessions to introduce key functions of the e-platform to B/Ds. We have also promoted the e-platform to the business community through various channels including major business chambers of commerce, SME associations, application counters of major licensing authorities and TV Programme.

Promotion of business facilitation and customer-centric culture

14. The EABFU has continued to promote the business facilitation and customer-centric culture within the Civil Service. A feature article about the BD's experience of being a customer-centric and smart regulator has been published in the Civil Service Bureau newsletter (December 2008 Issue No. 73).

Way forward

15. Members are invited to note the progress of the Programme. We will report further progress in due course.

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