

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

***Agenda Item 6 : Report on the progress of the
“Be the Smart Regulator” Programme
– March 2013 update***

Purpose

This paper reports on the progress of the “Be the Smart Regulator” Programme¹ (the Programme) since the last Business Facilitation Advisory Committee (BFAC) meeting held on 26 November 2012.

Latest progress

Overview

2. All the 29 participating bureaux/departments (B/Ds) have sustained momentum in enhancing business licensing services. Good progress has been made in various areas to improve our overall business licensing environment and long-term competitiveness. Recent major progress is highlighted below.

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

3. Since the release of the World Bank’s Doing Business 2013 Report in October 2012, the Economic Analysis and Business Facilitation Unit (EABFU) has been working with relevant B/Ds to identify improvement opportunities. In response to the World Bank’s new round of annual survey, EABFU has recently updated the World Bank of the following reform measures –

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.

- Starting a business
To further enhance Hong Kong's attractiveness as a company domicile and our competitiveness as an international business centre, the capital duty levied on Hong Kong companies under the Companies Ordinance has been abolished since 1 June 2012. This reform further reduces the cost of starting a business in Hong Kong.
- Dealing with construction permits
The Fire Services Department and Lands Department have recently reviewed and streamlined the related processes. The times for issuing a certificate of fire service installation and a certificate of compliance have been reduced from 18 to 17 days and from 20 to 19 days respectively. As a result, the overall processing time for a building construction permit of the small-scale building construction project such as two-storey warehouse is reduced from 66 to 65 days.
- Trading across borders
In pursuit of the World Customs Organization's initiative for providing a safer and more efficient trading environment to the industries, the Customs and Excise Department (C&ED) has formally launched the Hong Kong Authorized Economic Operator (AEO) Programme after its successful pilot run since 2010. Any local companies that are engaged in business principally related to the international supply chain are welcome to apply. Companies meeting certain security standards will be accredited by C&ED as AEOs and their cargoes will enjoy customs facilitation such as reduced examination or prioritized clearance.

Major progress in various departments

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

- The Highways Department has streamlined the excavation permit application process for applicants (other than government departments and utility undertakings) to carry out reinstatement of damaged footpath pavements more efficiently. Average time for applicants to obtain the permit can generally be reduced from six to three weeks.

- The Inland Revenue Department has facilitated requests for duplicate valid business registration certificates by enhancing its online service to allow the applicants to obtain an electronic copy of the business registration certificate instead of obtaining the hardcopy certificate at its counter or by post. The measure has not only expedited the service delivery but also relieved its workload from the conventional channels.
- The Land Registry has enhanced the Integrated Registration Information System and launched online version of the Street Index and the New Territories Lot/Address Cross Reference Table for free browsing. As a result, public search facilities of land records are more user-friendly and convenient.

Publicity of our business facilitation work

5. EABFU has set up a “Business Facilitation Corner”² at the periodical of the Hong Kong Federation of Restaurants & Related Trades to facilitate regular dissemination and promotion of our business facilitation news to the trade.

6. A feature article³ summarizing the Government’s recent work in enhancing the infrastructure for the Programme has been published in the Civil Service Newsletter (November 2012 Issue No. 85).

7. An article⁴ highlighting the role and work of BFAC and EABFU was uploaded at “Professor Raymond So’s Column” of the Yahoo Finance Hong Kong website on 31 January 2013.

Regulatory Impact Assessment/Business Impact Assessment

8. With the assistance of EABFU, the Food and Health Bureau has commissioned a consulting firm to conduct a Business Impact Assessment (BIA) on the proposed Private Columbaria Bill. The BIA for the proposed new measures for compliance with fire safety requirements by licensed food premises and the BIA on the proposed Third Party Fire Safety Certification Service under the Registered Fire Engineer Scheme are underway. The RIA

² The “Business Facilitation Corner” can be accessed via <http://www.gov.hk/en/theme/bf/pdf/tips.pdf>.

³ The article can be accessed via <http://www.gov.hk/en/theme/bf/highlights/infrastructure.htm>.

⁴ The article can be accessed via <http://hk.finance.yahoo.com/blogs/raymond-so/archive/2.html>.

on the proposed amendments to the Pharmacy and Poisons Ordinance and the BIA on the proposed statutory regulation of medical devices have been completed.

9. As part of our continuous efforts in raising the awareness amongst B/Ds for a proper and thorough evaluation of the potential impact of regulatory proposals on businesses, two training workshops on the Business Compliance Costs framework were organized in November 2012 and January 2013. 40 officers from 22 B/Ds attended the workshops with positive feedback.

Mobile application for Business Consultation e-Platform

10. In November 2012, EABFU launched a “Business Consultation e-Platform” mobile application (App) on the iPhone platform. The App provides the business community and other stakeholders with an additional channel to access the Government’s regulatory proposals and related consultation information and to offer their views and comments at any time and everywhere. It is available for free download by searching for “Consultation” on the iPhone App Store.

Review of business licensing services and SME support services

11. The Efficiency Unit’s review of business licensing services and SME support services is in progress and to be completed by Q2 of 2013. The Efficiency Unit will update Members on the review recommendations once they are available.

Way forward

12. 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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