

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

***Agenda Item 4 : Report on the progress of the
“Be the Smart Regulator” Programme
– March 2017 update***

Purpose

This paper updates on the progress of the “Be the Smart Regulator” Programme ¹ (the Programme) reported since the last Business Facilitation Advisory Committee meeting held on 25 November 2016.

Latest progress

Overview

2. All the 30 participating bureaux and departments (B/Ds) continue to sustain momentum in enhancing their business licensing services. Good progress has been made on various areas 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

Improvement measures in connection with the Report

3. Since the release of the World Bank’s Doing Business 2017 Report in October 2016, the Economics Analysis and Business Facilitation Unit (EABFU) has been working with relevant parties to identify improvement opportunities. The following reform measures have been implemented –

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.

- Registering property

The Land Registry and Lands Department have provided separate mechanisms for filing complaints to the two departments electronically on problems about property and map records respectively. The measures would help enhance the administration of land dispute matters.

- Resolving insolvency

The Companies (Winding Up and Miscellaneous Provisions) Ordinance had been amended and came into operation in February 2017. The amendment seeks to increase protection of creditors and streamline the winding up process with a view to improving and modernising Hong Kong's corporate winding-up regime.

Potential new indicator

4. World Bank has conducted a pilot assessment on the area of public procurement with a view to building a new indicator in its Doing Business Report. EABFU has been working closely with the relevant B/Ds to clarify issues of concern with World Bank on the legal framework and practice of the public procurement in Hong Kong.

Major progress in various departments

5. All participating B/Ds continue to further enhance their business licensing services in various areas. Some notable examples are –

- The Environmental Protection Department has developed and implemented an electronic application system as an additional and more convenient channel for the construction and related equipment industries to apply for Quality Powered Mechanical Equipment label effectively. When the application is approved, the applicant will be notified electronically for concurrent collection of label.
- The Agriculture, Fisheries and Conservation Department has enhanced the Short Message Service to provide regular updates to the marine fish culture licensees during red tide incidents with a view to issuing early warnings to them so that they could take precautionary measures to avoid or minimise fish loss.

- The Labour Department has recently launched a thematic website which is a one-stop platform to facilitate the applicants/operators of employment agencies and other stakeholders (including employers and job seekers) to gain access to updated and useful information about the operation of employment agencies in Hong Kong.

Promotion of business facilitation and customer centric culture within the civil service

6. In 2016, EABFU delivered 4 briefing sessions to cultivate business facilitation culture of over 780 new recruits from 57 B/Ds through the induction seminars organised by the Civil Service Training and Development Institute.

7. To disseminate and promote our business facilitation work to the relevant trades, a feature article² was published in the ‘Business Facilitation Corner’ of the periodical of the Hong Kong Federation of Restaurants & Related Trades (February 2017 issue) and another one³ in the Hong Kong Retail Management Association Newsletter (Fall 2016 issue).

Business Impact Assessment

8. The Business Impact Assessments (BIAs) on the amendment of Section 15 of Waterworks Ordinance (Cap. 102) regarding personnel for carrying out the plumbing works and the mandatory use of designated products registered under Water Efficiency Labelling Scheme have been completed. The BIAs on 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 are underway.

9. As part of our continuous efforts to raise B/Ds’ awareness of the importance of a proper and thorough assessment of the business impact and the compliance costs of their regulatory proposals to the affected trades, a

² The feature article on “New business facilitation measures for food business” can be accessed via http://theme.gov.hk/en/theme/bf/pdf/HKFORT_Feb2017_5th.pdf

³ The article highlighting the Government’s business facilitation measures and business consultation relevant to the retail sector can be accessed via <http://www.hkrma.org/file/info/newsletter/fall-2016/#>.

training workshop on the Business Impact Assessment and Business Compliance Costs frameworks was conducted in March 2017 for 35 officers from 21 B/Ds. The participants' feedback on the workshop was generally positive.

Way forward

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

Efficiency Unit,
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