

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

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

**Purpose**

This paper updates on the progress of the “Be the Smart Regulator” Programme<sup>1</sup> (the Programme) reported since the last Business Facilitation Advisory Committee meeting held on 30 March 2017.

**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. The Economic Analysis and Business Facilitation Unit (EABFU) continues to work with relevant departments to devise targeted measures to improve Hong Kong’s ease of doing business ranking. The Land Registry and Lands Department have linked their systems together to facilitate easier access to property and land information. This measure has improved the quality of land administration system in the area of “Registering property”.

4. We have also informed the World Bank of the following one-off measures announced in the 2017-18 Budget Speech by the Financial

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<sup>1</sup> 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.

Secretary, which can help reduce the total tax rate of Hong Kong in the area of “Paying taxes” –

- Reduction in profits tax for 2016-17 by 75% subject to a ceiling of \$20,000 per case; and
- Waiver of rates for 2017-18 subject to a ceiling of \$1,000 per quarter for each rateable property.

### ***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 Food and Health Bureau in collaboration with the Food and Environmental Hygiene Department, the Police and the Home Affairs Department have formulated improvement measures to enable timely processing of liquor licence applications and minimise the impact of the Liquor Licensing Board's summer recess to the applications.
- To facilitate development of the cinema industry in light of the current trend to operate small-sized cinemas, the Buildings Department has revised the means of escape requirement for cinemas with an occupant capacity of not more than 500 persons with a view to providing the trade with more site choices without compromising building safety.
- The Department of Health has replaced the system for processing applications for Chinese medicines traders licences and proprietary Chinese medicines registration with enhanced features which facilitate timely processing of applications and support online payment.
- The Electrical and Mechanical Services Department has developed a system to enhance enforcement and inspection actions against sale of non-compliant electrical products.

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

6. In the first half of 2017, EABFU organised an experience sharing session for 41 staff from 22 participating B/Ds to share ideas and experiences of good regulatory practices. EABFU also delivered two briefing sessions to cultivate business facilitation culture for about 300 new recruits from 36

B/Ds through the induction seminars organised by the Civil Service Training and Development Institute.

### ***Business Impact Assessment***

7. The Business Impact Assessment studies 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 being finalised.

### ***Service Quality Measurement***

8. The Efficiency Unit (EU) has conducted a fresh survey of public satisfaction with the quality and efficiency of services provided by the civil service as compared with the quality and efficiency of private sector services. Overall, government services have improved since the last survey and satisfaction levels remain ahead of those with the private sector. This year a new set of questions around e-services have been added which have shown particular dissatisfaction with the user-friendliness of a number of government e-services. The EU will be using this information to work with departments to improve these services over the coming year, paying particular attention to e-services that help businesses.

### **Way forward**

9. 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  
August 2017