

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

***Agenda Item 4 : Report on the progress of the
“Be the Smart Regulator” Programme
– June 2018 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 21 December 2017.

Latest progress

Overview

2. All the 29 participating bureaux and departments (B/Ds) continue to sustain momentum in enhancing their business licensing services. Good progress has been made on various fronts 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 (DB) Report

3. The Business Facilitation Team continues to work with relevant departments and organisations to devise targeted measures to improve Hong Kong’s ease of doing business ranking. For the DB Report 2019, we have updated the World Bank of the following reform measures –

(a) Starting a business

With the newly launched mobile application “CR eFiling”, businesses can submit applications for incorporation, annual returns and changes of company particulars to the Companies Registry using smartphones and mobile devices anytime anywhere.

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.

(b) Trading across borders

- The Single E-lock Scheme launched by the customs authorities of Mainland China and Hong Kong has expedited the flow of transshipment cargoes with reduced customs inspection. The scheme has been running smoothly and the number of Mainland clearance points was increased from 33 to 34 in November 2017.
- Under the Mutual Recognition Arrangements (MRAs), over 40 accredited Authorized Economic Operators from the Hong Kong supply chain industry such as manufacturers, importers, exporters, freight forwarders and carriers can enjoy prioritized customs clearance and reduced customs inspection in the signatory economies. The MRAs with Australia, Malaysia and Thailand became fully operational in March 2018 and the number of MRAs has been increased from 5 to 8.

Major progress in various departments

4. All participating B/Ds continue to further enhance their business licensing services in various areas since the last meeting. Apart from greater use of information technology to facilitate the licensing processes, B/Ds were also proactive in enhancing or relaxing the regulatory requirements, streamlining procedures and improving guidance to the trades. Some notable examples are as follows –

- (a) The Civil Aviation Department (CAD) has authorised external agents to assess the standards of authorised examiners (AEs) (who are responsible for conducting training/ examination for pilots) on behalf of CAD inspectors to provide greater flexibility for airlines to arrange the assessment for their AEs and shorten the time required to assess the standards of AEs;
- (b) The Fire Services Department (FSD) has formulated a set of fire safety requirements for open-ground bazaars with cooked food stalls which allows operators to have the option of cooking using liquefied petroleum gas with naked flame on top of electricity to provide the trade with more choices on cooking fuels;
- (c) FSD has also provided the trade with information on the potential fire hazards in mini-stores and related abatement measures to enhance their awareness of fire safety in mini-storage;

- (d) The Water Supplies Department has launched a pilot scheme to adopt a set of streamlined procedures for handling applications for new water meters submitted by the catering industry to facilitate early approval of the plumbing proposals and commencement of the business operation;
- (e) The Transport Department has obviated the need for franchised bus companies to apply excess width permits for franchised buses of certain size so as to reduce the cost and administrative burden of making the applications for the permits by the trade; and
- (f) The Travel Agents Registry has developed and implemented a pilot run of the E-levy System to facilitate the travel agents to make payment of the levy required and issue receipts with the levy stamps to their customers online.

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

5. The Government continues to further cultivate a business facilitation and smart regulation culture within the civil service through staff training and publicity. In early 2018, we had arranged representatives of the 29 B/Ds to exchange good practices and real life examples on how we can be more creative and innovative as well as deploy more technology to improve the user-friendliness of our licensing services and regulatory functions. We also briefed a total of about 194 new recruits from 39 B/Ds on the importance of business facilitation, the roles of the BFAC and its task forces as well as good examples of smart regulation in the government, etc. at the induction seminars organised by the Civil Service Training and Development Institute to inculcate a business facilitation culture among the new recruits of the civil service.

6. In addition, success stories on business facilitation are publicized regularly to various trade associations and business chambers to promote and disseminate our business facilitation work. Since December 2017, feature articles on the business facilitation measures for liquor licensing, handling of waste cooking oil and tree management were published in the newsletters/on the websites of the major trade associations for food business, entertainment clubs and recreational clubs to showcase government's effort in enhancing the regulatory regimes and enabling a business-friendly environment.

Business Impact Assessment (BIA)

7. Three BIA studies are being finalised, i.e. the study on the proposed regulatory framework of plumbing materials under the Waterworks Ordinance (Cap. 102), the study 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 study on the proposed security of payment legislation for the construction industry. The findings of the study help the B/Ds concerned refine their proposals to avoid introduction of any unreasonable regulatory/licensing requirements and reduce business compliance cost without compromising public interests.

Way forward

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

Efficiency Office
Innovation and Technology Bureau
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