

**Forty-first Meeting of  
the Business Facilitation Advisory Committee**

***Agenda Item 4 : Report on the progress of the  
“Be the Smart Regulator” Programme  
– January 2020 update***

**Purpose**

This paper updates on the progress of the “Be the Smart Regulator” Programme<sup>1</sup> (the Programme) since the last Business Facilitation Advisory Committee (BFAC) meeting held on 28 August 2019.

**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.

***Hong Kong’s position in the World Bank’s Doing Business 2020 Report***

3. According to the World Bank’s Doing Business 2020 Report (the Report) released on 24 October 2019, Hong Kong’s overall ranking rises one place to 3<sup>rd</sup>. This re-affirms our incessant efforts in business facilitation. The top five economies are New Zealand, Singapore, Hong Kong, Denmark and the Republic of Korea.

4. The Report compares the ease of doing business in 190 economies according to 10 indicators. Hong Kong performs well in many indicators, including “dealing with construction permits” (ranked first), “paying taxes”

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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.

(ranked second), “getting electricity” (ranked third) and “starting a business” (ranked fifth).

5. The Government will study the Report carefully and continue to work closely with the business sector and other stakeholders to reform the existing regulatory regimes, enhance regulatory efficiency and reduce business compliance costs, so as to further improve the business environment in Hong Kong.

### *Major progress in various departments*

6. The participating departments has developed 145 business facilitation measures this year to reduce the compliance costs to trades and remove red tape through various means including enhancing the regulatory requirements, streamlining procedures, proactive use of information technology as well as strengthening support services and guidance for the trades. Most of these measures (around 80%) are scheduled for completion within 2019-20. Examples of business facilitation measures implemented since the last meeting are highlighted as follows –

- (a) The Food and Environmental Hygiene Department has relaxed the requirement for a cashier counter for restaurant or food business licences. The initiative saves the trade’s administrative burden to comply with the requirement.
- (b) The Civil Aviation Department has set performance pledges for new issue and renewal of Certificates of Airworthiness (C of A) to enhance transparency and provide greater certainty to the trades on the time required to obtain a new or renewed C of A.
- (c) The Trade and Industry Department has provided an electronic submission option for new application for and renewal of Textiles Trader Registration to facilitate the trading community to lodge their applications online around the clock.
- (d) The Fire Services Department (FSD) has streamlined the process of inspecting fusible links of fire dampers used in hotel premises by allowing submission of valid documents such as product certification issued by accredited laboratories or FSD approval letter to replace conducting temperature tests on the links. The initiative enhances the efficiency of the licensing process.

- (e) The Marine Department has lengthened the period of notification allowed for cancellation or postponement of examination slots for Local Certificates of Competency from five working days to ten working days to increase the availability of the examination seats to other candidates.

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

7. From August to December 2019, we delivered one briefing session to cultivate business facilitation culture for over 60 new recruits from 27 departments through the induction seminar organised by the Civil Service Training and Development Institute. We also conducted briefings to staff of the Environmental Protection Department and the Electrical & Mechanical Services Department to share with them the good practices of continuous improvement in service delivery. To recognise B/Ds' efforts in business facilitation and further promote the business facilitation culture among civil service colleagues, we also published a feature article and a poster on smart regulation in the Civil Service Newsletter Issue No. 105.

***Business impact assessment (BIA)***

8. As at January 2020, two BIA studies on waterworks regulation commissioned by the Water Supplies Department are in progress, including the studies on the proposed regulatory frameworks of the Mandatory Water Efficiency Labelling Scheme and the Plumbing Works Control System under the Waterworks Ordinance (Cap.102).

**Way forward**

- 9. Members are invited to note the progress of the Programme.

**Business Facilitation Team  
Efficiency Office  
Innovation and Technology Bureau  
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