

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

***Agenda Item 5 : Report on the progress of the  
“Be the Smart Regulator” Programme  
– May 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 14 January 2020.

**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 Report***

3. The World Bank has commenced a new survey cycle and a new indicator “Contracting with the Government” will be included in the next Report. The Business Facilitation Team under the Efficiency Office has worked closely with relevant bureaux for targeted measures to continuously improve Hong Kong’s business environment. For the next Report, we have updated the World Bank of the following improvement measures:

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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.

(a) Starting a Business

The business registration fees were waived for one year from 1 April 2020.

(b) Paying Taxes

The Government proposed a one-off reduction of profits tax, salaries tax and tax under personal assessment for the year of assessment 2019/20 by 100%, subject to a ceiling of \$20,000 per case.

4. The World Bank has expressed concerns about the impact of the novel coronavirus epidemic on businesses. In this regard, we have also reported to the World Bank the anti-epidemic measures being launched by the Government to provide assistance and relief to businesses.

*Major progress in various departments*

5. The participating departments has developed 145 business facilitation measures in 2019-20 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. 107 of these measures (74%) have been completed within 2019-20. These completed measures have been published on the Business Facilitation Initiatives website for viewing by the business community and the public. Examples of the business facilitation measures implemented since the last meeting are highlighted as follows –

(a) The Highways Department has enhanced the Excavation Permit Management System to enhance the efficiency of application by:

- providing user guide in video format for the system with features of accessing relevant video guides by keyword search to facilitate applicants to apprehend the operation of the system more easily; and
- providing new functions in the system to enhance information which are received from relevant tree maintenance authorities in addition to Leisure and Cultural Services Department for reference by applicants.

(b) The Transport Department has set performance pledges on the time required for notifying permit applicants of the results of their applications for Restricted Zone /Prohibited Zone /Bus Lane /Closed

Road Permits, Lantau Closed Road Permits and Lantau Closed Road Permit under the "Driving on Lantau Island" scheme. This initiative enhances the transparency in processing applications.

- (c) The Water Supplies Department has enhanced the e-services for application for new Plumbers' Licences (PLs) with provision of e-submission, e-payment and e-notification functions to save applicants' time and administrative effort of submitting applications for new PLs online and improve the efficiency of processing applications for new PLs.
- (d) The Electrical and Mechanical Services Department has provided an electronic notification function for application for assignment of reference number to enable applicants to know the status of their applications in a timely manner.
- (e) The Office of the Communications Authority has devised performance pledges for processing new applications for eight types of licences under its purview, namely Services-Based Operator Licences, Class Licences for the Provision of Public Wireless Local Area Network Service, Class Licences for Offer of Telecommunications Services, Import and Export Permits, Transshipment Notifications, Aircraft Station Licences, Broadcast Radio Relay Station Licences and Hotel Television (Transmission) Licences to provide applicants with greater certainty on the time required for processing applications to facilitate their business planning.
- (f) The Home Affairs Department has streamlined the procedures for application for alteration works at licensed hotels/ guesthouses and clubhouses to facilitate the operators to get approval of alteration works as soon as possible to improve their premises and business.
- (g) The Create Hong Kong (CreateHK) has streamlined the supporting documents required for seven licences and permits to save the related administrative effort.

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

6. As at May 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**

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

**Business Facilitation Team  
Efficiency Office  
Innovation and Technology Bureau  
May 2020**