

## Press Release

### **LCQ7: Charges for provision of services for search of registers and records through trading funds and government departments**

Wednesday, March 22, 2017

Following is a question by the Hon Charles Peter Mok and a written reply by the Secretary for Financial Services and the Treasury, Professor K C Chan, in the Legislative Council today (March 22):

Question:

Currently, services provided by the Government through trading funds for search of (a) the Company Register and (b) the Land Register, as well as those provided by government departments for search of (c) the Business Register, (d) register of vehicles, (e) bankruptcy and compulsory winding-up records, (f) birth/death records and (g) marriage records, are subject to a charge. In this connection, will the Government inform this Council:

(1) of the following details of each of the aforesaid services in each of the financial years from 2011-2012 to 2015-2016:

- (i) number of person-times using the services,
  - (ii) income(I),
  - (iii) percentage of income in the annual income of the respective government departments/trading funds,
  - (iv) expenditure,
  - (v) net income/profit(P)\* after deduction of expenditure,
  - (vi) net income ratio/profit ratio(P/I)\*, and
  - (vii) profits tax payable\* and the relevant computation methods; and
- \*applicable to trading funds

(2) whether the Government will consider abolishing the aforesaid service charges to facilitate information flow and enhance the transparency of the business environment; if so, of the details (including the timetable); if not, the reasons for that?

Reply:

President,

(1) From 2011-12 to 2015-16 financial years, details of provision of services for search of registers and records through trading funds and government departments are tabulated in the Annex.

(2) Government departments generally charge their services in accordance with the "user pays" principle to achieve full cost recovery for the services provided. This is an established and effective fee charging principle, under which taxpayers do not have to subsidise individual users of the services. As regards services of trading funds, the Government in establishing a trading fund has the financial objective that the government service shall fund itself from the income generated from the service, and hence fees of a trading fund are normally set to recover the full cost of the trading fund (including the cost of capital) on an overall basis. The operations and fees of trading funds should comply with the Trading Funds Ordinance (Cap. 430). The Government has no plan to change these fee charging principles in respect of services for search of registers and records.

Ends