

LCQ20: Preventing the circulation of counterfeit banknotes

Following is a question by Professor the Hon Priscilla Leung and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (June 19):

Question:

It has been reported that various versions of counterfeit \$500 denomination banknotes appeared in the market in Hong Kong in recent months. In this connection, will the Government inform this Council:

- (1) whether it has grasped the latest number of counterfeit banknotes in circulation in the market in Hong Kong, as well as information such as the sources, circulation channels and production technologies of such counterfeit banknotes; whether the Government has analysed the causes of the problem of counterfeit banknotes and its impact;
- (2) of the policies and measures currently in place to tackle and prevent the counterfeiting of banknotes; whether there is an effective co-operation and co-ordination mechanism among the Hong Kong Monetary Authority, the police and the note-issuing banks to supervise and regulate the issuance and circulation of Hong Kong currency, and to combat and detect criminal activities involving the counterfeiting of banknotes;
- (3) whether it has engaged in exchanges and co-operation with relevant Mainland and international institutions and organisations to prevent and combat the cross-boundary circulation of counterfeit banknotes and crimes;
- (4) whether it has stepped up education and publicity among members of the public and shop operators to increase their vigilance against counterfeit banknotes and their ability to identify counterfeit banknotes;
- (5) whether it has adequate equipment and resources to assist members of the public and shop operators in distinguishing between genuine and counterfeit banknotes; and
- (6) whether it has strengthened the research and development and innovation in the field of banknotes, and considered introducing more advanced and secure security technologies and features (e.g. the use of biometric technologies, smart chips and nanomaterials), so as to enhance the security features and credibility of banknotes?

Reply:

President,

Having consulted the Security Bureau, the Hong Kong Monetary Authority (HKMA) and the Hong Kong Police Force, the consolidated reply to the various parts of the question is as follows:

(1) Compared to other jurisdictions, the overall counterfeit rate in Hong Kong is relatively low. For example, there are three pieces of counterfeit note per one million banknotes in circulation in 2023, compared to 25 pieces for the United Kingdom, 16 pieces for the Euro area, six pieces for Canada and five pieces for Australia.

On the statistics of seizure of counterfeit banknote, the Police seized a total of 10 191 counterfeit Hong Kong dollar banknotes in 2023; and 7 803 such banknotes in January to May 2024, with the increase mainly due to the large number of counterfeit \$1,000 and \$500 notes seized in several fraud cases. In the past two years, about 70 per cent of the counterfeit banknotes were seized by the Police during law enforcement operations, while the rest was received by banks and the retail sector in the course of their daily business and passed to the Police for handling. Most of the seized counterfeit Hong Kong dollar banknotes were of poor quality and lacked security features. Some bore the words "practice notes" (i.e. tools used by bank staff in the Mainland to practice counting banknotes), which were distinctly different from the genuine banknotes.

(2) to (5) The Government attaches great importance to combatting crimes involving counterfeit banknotes, and will, through continuous monitoring of counterfeit trends in Hong Kong and other jurisdictions, and actively maintaining close communication with other central banks and law enforcement agencies, ensure that appropriate measures are taken to tackle and forestall counterfeiting in a timely manner. The HKMA, the Police and the note-issuing banks (NIBs) have maintained close liaison with each other in combatting criminal activities involving counterfeit banknotes. The NIBs will immediately notify the Police and the HKMA should they find any high-quality counterfeit notes. The Police will also regularly share with the HKMA the latest intelligence on counterfeit banknotes, and work with the HKMA to analyse the counterfeits' quality and assess the risks of the security features of Hong Kong banknotes being successfully imitated. In addition, targetting offenders who produce and distribute counterfeit banknotes, the Police conducts intelligence exchanges with Mainland and overseas law-enforcement agencies, and assists the HKMA in conducting tests on suppliers of banknote authentication devices to ensure their effectiveness in accurately identifying counterfeit banknotes.

The HKMA and the Police jointly conduct seminars on a regular basis on the design and security features of Hong Kong banknotes for staff of the banking sector and other commercial entities (e.g. retail and catering chain groups) to help enhance their knowledge and skills in authenticating banknotes, as well as their understanding of counterfeit-related legislation (e.g. on how to handle suspected counterfeit notes).

On promotion, the HKMA provides information on the design and security features of Hong Kong banknotes to members of the public through its website

and Information Centre. Leaflets on the security features of Hong Kong banknotes are also provided to retailers, schools and the public if needed. The Police is continuously stepping up online and offline publicity to raise public awareness of counterfeit banknotes. In view of the rising trend of recent seizure of counterfeit \$500 and \$1,000 banknotes, the Police issued "Four tips on identifying counterfeit banknotes" and a related promotional video on its Facebook page in February and April this year respectively, educating members of the public on how to identify counterfeit banknotes, and reminding that if they receive a suspected counterfeit banknote, they should immediately pass it to the Police or a bank for action and should not attempt to use it.

(6) The HKMA attaches importance to the technological development concerning banknote design and security features, and has been actively engaging the banknote industry (including suppliers of banknote printing machines, materials, security features, etc.) to keep abreast of the latest research and development of security features and their effectiveness. The HKMA also conducts exchanges with other central banks in this regard.

Based on the HKMA's understanding, biometrics, smart chips and nanomaterials have yet to be applied to the technology on the security features of banknotes. The HKMA will continue to monitor relevant technological development, and suitably adopt the latest technology for enhancing the resilience of Hong Kong banknotes against counterfeiting.

LCQ10: Cultural, recreational and sports facilities in New Territories South East geographical constituency

â€‹Following is a question by the Hon Stanley Li and a written reply by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, in the Legislative Council today (June 19):

Question:

â€‹Some members of the public have relayed that the cultural, recreational and sports facilities in the New Territories South East geographical constituency (NT South East GC) for the 2021 Legislative Council General Election are inadequate. In this connection, will the Government inform this Council:

(1) of the number of cultural, recreational and sports facilities in the NT South East GC which have been planned but not yet constructed, and set out in a table the following information of such facilities: (i) planning year, (ii)

facility project, (iii) construction time, (iv) expected completion time and (v) expected number of service recipients;

(2) of the respective numbers of cultural, recreational and sports facilities in shortfall in Sai Kung, Tseung Kwan O and Ma On Shan in the NT South East GC based on the relevant standards of provision in the Hong Kong Planning Standards and Guidelines; whether it has formulated key performance indicators for assessing the work of town planning and development; if so, of the details; if not, the reasons for that;

(3) given that there are four transitional housing projects in the NT South East GC, and among them, some have leased on a temporary basis the sites originally earmarked for cultural, recreational and sports facilities, how the Government balances the public's demand for both transitional housing as well as cultural, recreational and sports facilities in planning such transitional housing; and

(4) upon expiry of the lease for the transitional housing projects mentioned in (3) on the sites earmarked for cultural, recreational and sports facilities, of the specific indicators to be put in place by the Government to serve as reference in considering lease renewal; in the event of non-renewal, of the details of and timetable for taking forward the work on the sites concerned by the Government for their original uses that have been earmarked?

Reply:

President,

In consultation with the Development Bureau and the Housing Bureau (HB), my consolidated reply to the questions raised by the Hon Stanley Li is as follows:

(1) and (2) The Government has all along been committed to the planning and construction of various cultural, sports and recreation facilities in the territory to meet the needs of the public.

The Hong Kong Planning Standards and Guidelines (HKPSG) stipulates the Government's general guidelines for determining the scale, locations, and site requirements of various land uses, community facilities and infrastructures according to the population and other factors. Policy bureaux and departments have all along been formulating, reviewing, and revising the relevant parts of HKPSG as appropriate, taking into account their respective policies and development requirements for the concerned facilities, including cultural and sports facilities. The Government has already reserved sufficient land in the relevant areas in accordance with HKPSG and bureaux/departments' requirements for development of suitable cultural and sports facilities, so as to cater for the need of the existing and planned population.

When planning new and improving existing facilities, the Leisure and Cultural Services Department (LCSD), apart from making reference to the

HKPSG, will consider other factors including policy objectives and priorities, utilisation rate of existing facilities, demographic changes within the districts, public demand for facilities, views of District Councils and stakeholders, land availability, and technical feasibility, etc.

South East New Territories includes Sai Kung District and Sha Tin Districts, which currently have populations of around 503 100 and 702 800 respectively. Major public works projects for cultural, recreation and sports facilities currently in progress or under planning in both districts are provided at Annex I. The comparison by district between the provision of major cultural, sports and recreation facilities under the LCSD and the provision as recommended by the HKPSG is at Annex II.

Under the fiscal consolidation programme, the Government will review the order of priority, necessity and importance of the works projects under planning, such as conducting reviews on how to use public resources more effectively and the cost effectiveness of projects. For projects that are currently under preliminary planning or at the conceptual stage, the implementation schedule will be adjusted in light of their importance and other factors. Since some projects are still at the preliminary planning stage, the construction and completion schedule are not available for the time being.

(3) The Government has been promoting the development of transitional housing in the past few years, making better use of short-term available land and premises to provide short-term accommodation to those in need, and alleviate the hardship of the inadequately housed families and individuals that have been waiting for traditional public rental housing for a long time. Transitional housing projects, including the four projects in the New Territories South East geographical constituency (NT South East GC) mentioned in the question (i.e. "Yin Ting Terraced Home" at Tong Yin Street, Tseung Kwan O; "Yap Ting Terraced Home" at Chi Shin Street, Tseung Kwan O; "Po Ting Terraced Home" at Po Lam Road North, Tseung Kwan O; and "T-Loft@Lok Wo" at Lok Wo Sha Lane, Ma On Shan), aim at making optimal use of the "window period" of suitable lands or premises, during which the long-term development has not been taken forward yet. Therefore, the implementation of the original land use planning will not be hindered.

(4) As mentioned above, the four transitional housing projects in the NT South East GC mentioned in the question aim at making optimal use of the "window period" before the long-term planned uses of the sites concerned are implemented, in order to help those with pressing housing needs. The four government sites are currently leased under short-term tenancy, which will expire in June 2027 and thereafter be renewed quarterly.

According to the information of the Planning Department, the site of "Po Ting Terraced Home" has been reserved for village-type development, the site of "Yin Ting Terraced Home" will be developed into a civic centre, the site of "Yap Ting Terraced Home" is planned for a sports centre-cum-indoor heated swimming pool, and the site of "T-Loft@Lok Wo" is planned for a sports centre. The development of the above three sites, which are planned for

cultural, recreation and sports facilities in the long term, are still at the preliminary planning stage and their schedule is not available for the time being. We will continue to maintain close communication with the HB for timely return of the sites for their long-term uses.

We have to stress that the transitional housing initiative is a short-term relief in nature. If the long-term development of the site or premises of a certain project is yet to be finalised or implemented, and the owner of the land/premises concerned agrees to renew the lease of the respective project, the HB will then, subject to the status of the project and other factors including public demand for transitional housing, consider providing policy support to the non-government organisation concerned for maintaining the operation of the project to serve those in need. If the long-term development needs to be taken forward, the land/premises concerned will be returned to the relevant bureau or department in a timely manner.

LCQ16: Crackdown on “black taxis”

Following is a question by the Hon Chan Pui-leung and a written reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (June 19):

Question:

Some members of the taxi trade have pointed out that "black taxis" are a handful of black sheep in the taxi trade and their illegal acts such as overcharging and cherry-picking passengers have not just aroused discontent among members of the public and visitors but also affected the reputation of Hong Kong. In this connection, will the Government inform this Council:

(1) whether it has compiled statistics on the following figures relating to the crackdown on black taxis through decoy operations in various police districts in each of the past five years: (i) the number of law enforcement actions, (ii) the number of cases recorded, (iii) the number of prosecutions, and (iv) the number of persons convicted; whether it has assessed the effectiveness of decoy operations; if so, of the details; if not, the reasons for that;

(2) whether it has compiled statistics on (i) the number of complaints received by the Government involving taxi drivers' malpractices (with a breakdown by malpractice set out in Table 1), (ii) the number of taxi drivers prosecuted, and (iii) the number of taxi drivers convicted (set out in Table 2), in each of the past five years; if it has not compiled such statistics, of the reasons for that; and

Table 1

Taxi drivers' malpractices	(i)				
	2019	2020	2021	2022	2023
Refusing hire					
Failure to take the most direct route					
Overcharging					
Improper driving behaviour					
Refusing to drive to destination					
Taximeter irregularities					
Other malpractices					

Table 2

	2019	2020	2021	2022	2023
(ii)					
(iii)					

(3) as it has been reported that there are often cases of black taxis having their flag covered and refusing hire in tourist-intensive areas such as the Peak Tram Central Terminus and the Peak, and some of the black taxis are even suspected of operating as a syndicate under the control of triads, whether the authorities know such situation and whether they will consider deploying more police officers to such places to maintain order and step up law enforcement efforts; if so, of the details; if not, the reasons for that?

Reply:

President,

After consulting the Security Bureau, the Transport Department (TD) and the Hong Kong Police Force (HKPF), our reply to the Hon Chan Pui-leung's question is as follows:

In response to the widespread views of the community that the Government should strengthen the regulation of taxi services, the Government has earlier reviewed the overall taxi operation and management, and put forward a series of measures to enhance taxi services. Such measures include introducing a Taxi-Driver-Offence Points (TDOP) System and a two-tier penalty system for certain taxi-driver-related offences. The relevant Ordinances were passed by the Legislative Council in December 2023. The two-tier penalty system has taken effect on December 22 last year, and the TDOP System will take effect on September 22 this year. The Government believes that raising the penalty

will be conducive to combatting taxi drivers' illegal acts and strengthening the deterrent effect against repeat offenders, thereby enhancing the general quality of taxi services.

(1) The HKPF has been adopting various effective measures to combat the illegal acts of taxi drivers, including launching intelligence-led operations, taking enforcement actions by disguising as passengers, as well as enhancing publicity. The HKPF will continue to conduct enforcement actions based on intelligence and operational priorities.

The HKPF does not maintain breakdown of figures on combatting taxi drivers' malpractices by the mode of the enforcement action. The numbers of enforcement actions taken against the offences committed by taxi drivers (i.e. the number of summons issued or arrests) in each of the past five years are set out in the table below:

Enforcement actions taken by the HKPF against the offences committed by taxi drivers					
	2019	2020	2021	2022	2023
Overcharging	51	22	11	17	42
Refusing or neglecting to accept a hire	59	16	27	65	85
Refusing or neglecting to drive a taxi to the place indicated by the hirer	28	7	9	30	18
Driving to a destination other than by the most direct practicable route	22	12	11	13	13
Offences involving taximeters	9	13	0	26	16

(2) In the past five years, the numbers of complaints received by the TD and the HKPF per year about taxi drivers are set out in the two tables below respectively. The figures cover the complaints referred by the 1823 Call Centre, the Transport Complaints Unit under the Transport Advisory Committee and other government departments or organisations. As the complainants may submit their complaints to different departments or organisations at the same time, the figures in the two tables below may overlap.

Complaints received by the TD					
	2019	2020	2021	2022	2023
Overcharging	223	62	108	152	340

Refusing or neglecting to accept a hire	152	50	154	â€‹207	361
Refusing or neglecting to drive a taxi to the place indicated by the hirer	61	26	39	24	28
Driving to a destination other than by the most direct practicable route	120	73	163	â€‹191	277
Improper driving behaviours	269	143	â€‹226	254	374
Others (Note 1)	480	381	â€‹492	765	1 164

Note 1: Other complaints include offences involving the taximeters and other malpractices (e.g. refusing to provide receipts, smoking in the vehicle when it has passengers on board), etc.

Complaints received by the HKPF					
	â€‹2019	2020	2021	2022	2023
Overcharging	â€‹567	328	368	443	1 034
Refusing or neglecting to accept a hire	951	285	683	745	1 435
Refusing or neglecting to drive a taxi to the place indicated by the hirer	192	55	144	130	â€‹180
Driving to a destination other than by the most direct practicable route	588	359	470	505	924
Offences involving taximeters	26	11	13	7	16
Others (Note 2)	1 843	1 382	2 271	3 843	5 995

Note 2: Other complaints include the taxi driver not behaving in a civil and orderly manner, soliciting passengers, as well as improper driving behaviours, etc.

Upon receipt of a complaint, the TD will conduct investigation and request the taxi owner concerned to provide an explanation. Depending on the circumstances of the complaints, the TD will write to the taxi owners or

drivers concerned to remind them of the need to comply with the law and pay attention to their attitude when providing services so as to maintain service quality. The TD will also provide analysis of the relevant complaints to the HKPF for carrying out appropriate follow-up investigations and enforcement actions.

The HKPF has also been closely monitoring and following up on the complaints about taxi drivers suspected of committing offences. If a member of the public suspects that a taxi driver has committed offences such as refusing to accept a hire or overcharging, he or she can record the name of the driver, vehicle registration mark of the taxi, time and location, etc, and report the matter to the HKPF. If there is sufficient evidence, the HKPF will certainly take enforcement action.

The numbers of prosecutions and convictions for the 22 offences relating to taxi drivers (e.g. overcharging, refusing or neglecting to accept a hire, etc) in the past five years are set out in the table below:

Number of prosecutions and convictions for the offences relating to taxi drivers (Note 3)					
	2019	2020	2021	2022	2023
Number of prosecutions	76	14	7	13	57
Number of convictions	76	14	7	13	57

Note 3: Such figures do not include the number of prosecutions or convictions of taxi drivers violating offences relating to improper driving behaviour (e.g. careless driving, speeding, etc).

(3) As mentioned above, the HKPF has been adopting different measures to combat taxi drivers' malpractices.

On stepping up publicity, the Police, in collaboration with the taxi trade, the Lan Kwai Fong Association and the Central and Western District Road Safety Campaign Committee (C&W DRSCC), has launched the three-month Lan Kwai Fong Taxi Ambassadors Scheme since April 5 this year. Under the aforementioned scheme, the C&W DRSCC will arrange Taxi Ambassadors at the taxi stands at Lan Kwai Fong in Central and Peak Tram station at designated time to distribute taxi information cards to passengers boarding taxis. The cards will record information such as the estimated fares, the licence plate number of the taxi concerned and the destinations, etc. In addition, the taxi trade will arrange law-abiding and quality taxis to serve at Lan Kwai Fong so as to ensure an adequate supply of taxis during the peak hours at night. Since the launch of the said scheme, more than 7 000 members of the public and tourists have been assisted in taking taxis. The said scheme has successfully enhanced communication between passengers and taxi drivers, and effectively strengthened the deterrent effect against unscrupulous taxi drivers.

On law enforcement front, in view of the Labour Day holiday this year, the HKPF has launched a two-week operation, namely "Kickstarter" and "Cellbreaker", between April 24 and May 8, which have covered popular tourist spots. The main objectives of the relevant operations include combatting malpractices relating to public service vehicles (in particular taxis), with a view to enhancing their service quality, improving the travelling experience of inbound tourists during their stay in Hong Kong, as well as maintaining smooth traffic flow.

The HKPF aims to combat the black sheep of the taxi industry and increase the deterrent effect through a series of enforcement actions. Besides, the HKPF will continue their efforts in education and publicity in various districts, and will distribute souvenirs and publicity leaflets to the public and visitors to raise their awareness towards unlawful behavior of taxi drivers.

LCQ13: Promoting the popularisation of electric buses

Following is a question by the Hon Frankie Yick and a written reply by the Secretary for Environment and Ecology, Mr Tse Chin-wan, in the Legislative Council today (June 19):

Question:

The Chief Executive (CE) proposed in the 2022 Policy Address to promote green transport and indicated that the Government would introduce about 700 electric buses by the end of 2027. In the 2023 Policy Address, the CE indicated that support would be provided to realise the goal. In this connection, will the Government inform this Council:

(1) given that in its reply to a question raised by a Member of this Council on May 22 this year, the Government indicated that as at the end of April this year, there were 90 registered electric franchised buses and the Government was discussing with the franchised bus operators the roadmap and timetable for implementing green transformation, of the preliminary outcome of discussion; whether the Government has, based on such outcome, assessed if it can achieve the aforesaid goal by 2027; if it has assessed and the outcome is in the negative, whether it will adjust the goal; if so, of the details; if not, the reasons for that;

(2) given that some members of the transport sector have relayed that in promoting the popularisation of electric buses, franchised bus operators are responsible for the expenses incurred from research, development to actual operation, but the high interest rates and the operating situation where bus

patronage has yet to recover have affected the desire of such operators to procure electric buses, of the new measures put in place by the Government to encourage them to procure more electric buses in order to achieve the aforesaid goal; and

(3) given that some members of the transport sector have relayed that apart from procuring electric buses, the operators concerned also need to invest a considerable amount in providing additional ancillary facilities (including charging facilities and repair and maintenance equipment) and training of technical staff in order to enable the smooth and safe operation of electric buses, and to maintain the standard of service, the operators concerned even need to retain and maintain the relevant ancillary facilities for diesel buses at the same time until all diesel buses are retired after a decade or so, of the measures put in place by the Government to assist the operators concerned in acquiring relevant ancillary facilities for electric buses?

Reply:

President,

In consultation with the Transport and Logistics Bureau, my reply to the question raised by the Hon Frankie Yick is as follows:

(1) In respect of implementing a green transformation roadmap and timetable, the Government has all along been liaising with the franchised bus operators (FBOs) closely to understand their actual operational needs and views, including the relevant information such as FBOs' forecasted bus procurement needs in the coming years. The FBOs have a positive attitude towards the gradual transition to electric buses (e-buses). We are currently exploring different options with the four FBOs to promote e-buses. The target of introducing about 700 e-buses by end-2027 remains unchanged.

(2) and (3) Since 2015, the Government has been subsidising the FBOs to purchase 36 single-deck e-buses and install relevant charging facilities for trial run on a number of routes, with a view to comprehensively testing and assessing their operational performance in Hong Kong's road environment. The findings of the trials showed that the passenger carrying capacity and driving performance of the single-deck battery e-buses are comparable with those of the conventional single-deck buses. This verified the technical feasibility of adopting battery e-buses on a large scale in Hong Kong, and provided valuable experience and data for the FBOs in respect of fleet management, e-buses routing, charging arrangements and the supporting facilities, etc.

Today, the FBOs have recognised the relevant technology for e-buses. The market development of e-buses has also become more mature in recent years and their wider adoption would hopefully drive down prices. That said, there is no doubt that financial affordability and budgeting are imperative for achieving the green transformation for more than 10 000 public buses in Hong Kong. The transformation will also necessitate many supporting facilities and training of technical staff. Therefore, the trade must be allowed sufficient

time to prepare, and the Government also needs to look into the feasibility of providing financial support. As mentioned above, the FBOs have a positive attitude towards the gradual transition to e-buses, and we are currently exploring different options with the four FBOs to promote e-buses. We plan to finalise a concrete proposal within this year and make timely announcement, with a view to assisting the FBOs in the gradual green transformation while accommodating their actual operational conditions.

Postal services to Georgia subject to delay

Hongkong Post announced today (June 19) that, as advised by the postal administration of Georgia, due to an internal reorganisation process at its processing centre, mail delivery services to Georgia are subject to delay.