

LCQ7: Reproduction of Hong Kong currency notes for filming

Following is a question by the Hon Au Nok-hin and a written reply by the Secretary for Commerce and Economic Development, Mr Edward Yau, in the Legislative Council today (June 27):

Question:

The owner of a film props production company and a staff member of a logistics company were earlier convicted of possessing counterfeits of currency notes and sentenced to four months' imprisonment, suspended for two years, because they had in their possession 220 000 replica banknotes with the words "PROPS" printed on them. Such case has aroused grave concerns among practitioners in the film industry and members of the public that the relevant legislation have failed to keep up with the times, caused confusion among practitioners in the film industry, and neglected the need of the film industry for using realistic props. In this connection, will the Government inform this Council:

(1) of the number of applications for reproducing Hong Kong currency notes to which the Monetary Authority (MA) gave consent in writing in the past five years and last year, and set out a breakdown by use of the replicas in the table below;

Use	Past five years	Last year
Production of textbooks		
Production of advertisements		
Production of television programmes		
Production of films		
Others		
Total	250	

(2) of the respective numbers of persons (i) prosecuted and (ii) convicted, in the past five years for possessing counterfeits of currency notes;

(3) as one of the functions of the Film Services Office is the provision of one-stop services in the application for various permits required for film production, whether the Office assisted the film industry in applying for the reproduction of banknotes in the past five years; if not, whether it will provide such service immediately;

(4) given that the current procedure for applying for the reproduction of Hong Kong currency notes involves a number of organisations (including MA, note-issuing banks and the Hong Kong Government, which own the copyrights of

their respective currency notes, and the Police, which regulate the reproduction process as well as issues relating to the custody and destruction of replicas), whether the authorities will set up a central platform to process such kind of applications, streamline the application procedure and shorten the time needed for processing applications; and

(5) as some practitioners in the film industry have pointed out that certain conditions imposed by the authorities for granting permission for the reproduction of banknotes are stringent (e.g. the replicas shall be at least 20% smaller or larger than the actual size of the genuine notes), resulting in a deterioration of the quality of the films concerned due to the use of unrealistic props, whether the authorities will review and relax the relevant conditions, so that filmmakers may use more realistic prop banknotes?

Reply:

President,

In consultation with the Hong Kong Monetary Authority (HKMA) and the Security Bureau, my reply is as follows:

(1) The cases approved by the HKMA for reproducing Hong Kong currency notes in the past five years, last year (full year) and this year (up to June 15) are tabulated below by the uses of the reproduced materials:

Use	Past five years (2013–2017)	2017 Full year	2018 (Up to June 15)
Textbook	94	16	7
Advertisement	42	7	3
Shooting of television/ film with genuine notes	71	28	23
Shooting of television/ film with prop notes	1	0	3
Others	42	7	5
Total	250	58	41

From January 2013 to June 15 this year, the HKMA has received a total of nine applications for producing prop notes. Four cases were approved, one was rejected, two were withdrawn by the applicants for different reasons (such as change of shooting plan), while the remaining two are under processing. For the rejected case, the reason for rejection was because the applicant was unable to provide a sample prop note that fulfilled the size requirement.

(2) The number of persons prosecuted and convicted for "offences involving the custody or control of counterfeit notes and coins" under section 100 of the Crimes Ordinance (Cap. 200) in the past five years are tabulated below:

	2013	2014	2015	2016	2017
Number of persons prosecuted	13	7	2	5	6
Number of persons convicted	12	6	2	2	6

(3) The Film Services Office (FSO) of Create Hong Kong has been acting as a facilitator to liaise for the film industry with relevant departments and organisations to help handle filming issues. The FSO received enquiries from the industry in the past about use of prop money for filming purposes. From 2013 to April 2018, the FSO received a total of 13 such enquiries, of which eight were about film production. The FSO then suggested the production crew to lodge application with the HKMA pursuant to the relevant laws.

In view of the recent concerns raised by the film and television sectors over application for reproducing Hong Kong currency notes for filming purposes, the FSO has been following up proactively and liaising with different industry organisations and listening to their views. On June 19, the FSO has lined up a meeting for the industry to meet with the HKMA and the Police direct, to enable the industry to have a better and more comprehensive understanding of the relevant application guidelines, so as to strike a suitable balance between meeting the industry's expectations and effective crime prevention. At the meeting, in response to the concerns raised by the industry, the HKMA agreed to simplify the application procedures and set out facilitating measures, details of which are at (4) below.

(4) Under section 103 of the Crimes Ordinance (Cap. 200 of the Laws of Hong Kong), a person who, without the consent in writing of the Monetary Authority, reproduces on any substance whatsoever, and whether or not to the correct scale, any Hong Kong currency note or any part of a Hong Kong currency note, commits an offence. Applicants who wish to reproduce Hong Kong currency notes should apply to the HKMA. After obtaining the HKMA's written approval, the applicant should seek the consent of the copyright owner of the banknote image for use of the design.

The HKMA, upon confirmation that the sample(s) and details submitted are in compliance with the requirements, would issue a written approval. Generally speaking, the processing time would take around two weeks. The HKMA would, to facilitate follow-up work, provide contact details of the copyright owner(s) and the Police to the applicants, and copy the approval to the copyright owner(s) and the Police. The HKMA has all along been providing relevant written guidelines and conditions upon receipt of applications and enquiries from the public.

To address the concerns of the industry, the HKMA has met with the industry at the aforementioned meeting arranged by the FSO on June 19 to discuss possible measures to simplify the application procedures, including uploading the general guidelines and general conditions on production of prop money onto the front page of the HKMA's website, so that applicants could easily obtain the relevant information. The HKMA would next attach to the guidelines a template on the size of prop notes, and set out the design and wording of prop notes so that the public could differentiate prop notes from genuine notes. An application form would also be included in the guidelines.

The HKMA can only handle applications under section 103 of the Crimes Ordinance. The Crimes Ordinance is targeted at, inter alia, counterfeits and related offences (including that relating to reproduction of currency notes) to protect the public. The copyrights of the banknote images belong to the note-issuing banks or the HKSAR Government. An applicant needs to liaise with the copyright owners and obtain their consent for use of the designs. To ensure that the prop money would not be in circulation, causing loss to the public, the HKMA and the Police request that the film industry exercise due diligence and keep the prop money in safe custody. Meanwhile, the Police takes actions for monitoring, documentation and destruction of the prop money. The HKMA will keep in view the effectiveness of the aforementioned facilitative measures and will continue to consult the industry to assess and study the feasibility and effectiveness of a centralised platform to handle such applications.

(5) The aforementioned section 103 of the Crimes Ordinance (Cap. 200) is targeted at counterfeit notes and reproduced notes with a view to safeguarding the general public. The current size requirement for reproducing Hong Kong currency notes serves to facilitate differentiation by the public between reproduced notes and genuine notes, so that the public would not be deceived to believe or mistake a reproduced note for a genuine note, resulting in pecuniary loss. Hence, there is practical necessity to establish the approval conditions for reproduction of notes.