LCQ22: Initiatives to encourage childbearing

Following is a question by Professor the Hon Chow Man-kong and a written reply by the Deputy Chief Secretary for Administration, Mr Cheuk Wing-hing, in the Legislative Council today (December 18):

Question:

Since last year, the Government has been encouraging childbearing through the introduction of policies and initiatives such as the "Newborn Baby Bonus" ("the Bonus"), priority arrangements for subsidised sale flats and public rental housing, as well as supporting assisted reproductive services. There are views that the Government still needs to strengthen the relevant policy directions in order to reverse the persistently low fertility rate in Hong Kong. In this connection, will the Government inform this Council:

(1) of the number and percentage of applications submitted under the "Families with Newborns Flat Selection Priority Scheme" in the "Sale of Home Ownership Scheme Flats 2024";

(2) whether it will further introduce a combination of financial measures to encourage childbearing, i.e. apart from the Bonus, consider extending the arrangement for additional child allowance to the first three years of assessment following the birth of each child, introducing tax deduction on expenses for employing foreign domestic helpers, as well as subsidising the expenses for antenatal check-ups incurred by couples, so as to respond to the actual needs of different sectors of society (especially the middle class); if so, of the details; if not, the reasons for that; and

(3) given that in October this year, the General Office of the State Council issued a circular entitled "Several Measures for Accelerating Improvement of Reproduction Policy Support Systems and Promoting the Establishment of a Reproduction-friendly Society", and the relevant specific measures include (i) setting up a childbearing subsidy, implementing care services for infants and children under the age of three, implementing a special policy on additional deduction of individual income tax on children's education, and enhancing support for families with many children to purchase homes, (ii) providing welfare-based child care services, and organising and carrying out child care activities during the summer and winter holidays as well as afterschool hours to proactively assist workers in shouldering the pressure of child-rearing, and (iii) □creating a batch of high-quality movies and TV dramas, stage dramas as well as web-based cultural and art works, increasing the production of, among others, thematic programmes and public service advertisements, and encouraging and guiding the participation of communities, units and individuals to jointly create a reproduction-friendly social environment, whether the authorities will consider implementing the aforesaid measures and encourage private organisations to follow the relevant

arrangements, so as to create a more favourable environment for childrearing; if so, of the details; if not, the reasons for that?

Reply:

President,

Hong Kong and many countries or places worldwide are facing a decline in fertility rate. In the face of this challenge, the Government must formulate measures to raise fertility rate. As such, the Chief Executive announced in his 2023 Policy Address a host of measures to promote fertility and create a conducive environment for childbearing through a " combination punches " approach. These measures include providing Newborn Baby Bonus, giving families with newborns priority on flat selection and allocation, enhancing child care support and increasing tax concessions. The implementation of the Newborn Baby Bonus is administrated by the Deputy Chief Secretary for Administration 's Office, while Bureaux involved in the implementation of other measures include the Housing Bureau, the Labour and Welfare Bureau, the Health Bureau, the Education Bureau, the Home and Youth Affairs Bureau and the Financial Services and the Treasury Bureau.

In consultation with the relevant Bureaux, the consolidated reply to the questions raised by Professor the Hon Chow Man-kong is as follows:

(1) The Hong Kong Housing Authority (HA) has implemented the Families with Newborns Flat Selection Priority Scheme (Priority Newborns Scheme) as scheduled, starting from 2024 under the Home Ownership Scheme (HOS) sale exercise as announced in the 2023 Policy Address. A quota of about 40 per cent of the new flats (i.e. 2 900 flats) under the Sale of HOS flats 2024 (HOS 2024) has been set aside for eligible applicants under the Priority Newborns Scheme and the Priority Scheme for Families with Elderly Members for balloting and priority flat selection. Family applicants of HOS with babies born on or after October 25, 2023 will be eligible if their children are aged three or below on the closing day of the application of HOS.

During the application period of HOS 2024, the HA received a total of around 106 000 applications, 50 000 of which were family applicants. Among these applications, around 16 000 and 3 000 applications came under the Priority Scheme for Families with Elderly Members and the Priority Newborns Scheme respectively, corresponding to about 30 per cent and 10 per cent of the total number of family applicants respectively.

In addition, regarding the allocation of public rental housing (PRH) flats, the HA has implemented the Families with Newborns Allocation Priority Scheme since April 1, 2024. PRH family applications with babies born on or after October 25, 2023 and aged one or below will have their waiting time deducted by one year. As at end-November 2024, about 3 000 eligible PRH family applications under the scheme have their waiting time reduced by one year, of which 170 families have already been successfully housed to PRH.

(2) The Government announced in the 2023 Policy Address that a cash reward of \$20,000 will be provided to eligible parents for each baby born from October

25, 2023, for a period of three years. Starting from October 25, 2023, parents can submit an application for the bonus at the same time when registering the birth of their baby and applying for a birth certificate. As of end-November 2024, a total of 32 811 qualified applications have been received, and the bonus has been distributed to 32 107 applicants, at a total amount of approximately \$640 million. We plan to conduct a review two years after the bonus is launched.

As regards tax concessions, starting from the year of assessment (YA) 2023/24, the basic child allowance and the additional child allowance for each child born during the year of assessment have been raised from \$120,000 to \$130,000. In addition, starting from YA 2024/25, for taxpayers who live with their children born on or after October 25, 2023 and meet the prescribed conditions, the deduction ceiling for home loan interest or domestic rents will be raised from \$100,000 to \$120,000 for a maximum of 19 YAs. These measures can encourage childbearing by helping to alleviate the financial burden of taxpayers from raising children.

In respect of the proposals to extend the claim period of additional child allowance and to introduce tax deduction for expenditure on hiring foreign domestic helpers, the Government must ensure that a balance is struck between promoting relevant policy objectives and exercising fiscal prudence, especially at a time when the Government's fiscal deficit is high. For the latter, the Government must also examine whether the proposal should apply to similar services (including the hire of local domestic helpers) and the possible implications. The Government has no plan to adopt the said proposals at this stage.

As regards the proposal of subsidising the expenses for antenatal checkups incurred by couples, currently the Obstetrics and Gynaecology Departments of the Hospital Authority and the Maternal and Child Health Centres (MCHCs) of the Department of Health (DH) provide free antenatal services for all local pregnant women who are eligible persons (who generally refer to holders of Hong Kong Identity Cards or such other persons as may be approved by the Chief Executive of the Hospital Authority/ Director of Health) to ensure the health of the pregnant women and their foetuses. The scope of services includes the first antenatal check-up, personal and family medical history, as well as various investigations and vaccinations conducted by doctors according to the clinical needs of individual pregnant women. Generally speaking, pregnant women receive check-ups every four to six weeks before the 28th week of pregnancy, every two to four weeks between the 28th and 36th weeks of pregnancy, and every one to two weeks after the 36th week. The Obstetrics and Gynaecology departments of public hospitals will make appropriate arrangements according to the circumstances of individual pregnant women.

Besides, as announced in the 2024 Policy Address, the DH will revamp maternal and child health and family planning services to strengthen prepregnancy counselling and parental education and promote healthy fertility. The DH will provide the new pre-pregnancy health services to reproductive age group women at the MCHCs in phases, support women in preparing for pregnancy through health consultation and counselling, health assessments, arrangement of blood tests and other investigations, and provide nutritional dietary and lifestyle advice, to align with the Government's policy of encouraging and promoting healthy fertility as well as protecting and advancing maternal and child health. In addition, the DH will review and adjust the scope of the subsidised family planning service currently provided by non-government organisations (NGOs), so as to dovetail with the Government's policy of encouraging and promoting healthy fertility. Details on the above initiatives will be announced at an appropriate juncture.

(3) The Hong Kong SAR Government (HKSARG) is implementing different familyfriendly measures, which are in the same direction as the "Several Measures for Accelerating Improvement of Reproduction Policy Support Systems and Promoting the Establishment of a Reproduction-friendly Society" issued by the General Office of the State Council. Specific measures implemented by the HKSARG include:

(i) Strengthen the construction of childcare service system: the Government has been supporting parents who cannot take care of their young children temporarily through subsidising NGOs to provide a variety of day child care services, including Child Care Centre (CCC) services for children aged from birth to under 3, an After School Care Programme and a Neighbourhood Support Child Care Project (NSCCP). To strengthen support for working families in childbearing, the Government has announced the setting up of an addition of 11 aided standalone CCCs in phases, doubling the total number of service places to reach around 2 000. The Government is extending the After School Care Programme for Pre-primary Children to cover all districts in phases, and increasing the number of service places under NSCCP to 2 500 with the estimated number of beneficiaries increasing to 25 000. The Government also launched the School-based After School Care Service Scheme to provide focused support for students in need (particularly those from single-parent families) to stay in school after school hours for care and learning support, thereby allowing their parents to take up jobs. Over 110 primary schools covering 18 districts across the territory participated in the scheme in the 2024/25 school year, providing about 6 000 places. Subject to the actual utilisation and outcome of the scheme, we plan to encourage more schools to participate in the scheme in the 2025/26 school year, without imposing any quota; and

(ii) Strengthen the support measures for education: with the Kindergarten Education Scheme implemented since the 2017/18 school year by the Education Bureau, about 90 per cent of half-day kindergartens are currently free of charge, while the school fees for whole-day kindergartens are maintained at a low level. Families with financial needs may apply for fee remission under the Kindergarten and Child Care Centre Fee Remission Scheme (KCFRS). Starting from the 2022/23 school year, the fee remission ceiling under the KCFRS has been raised from the 75th percentile in the past to the 100th percentile charged by respective half-day and whole-day kindergartens joining the Kindergarten Education Scheme. In other words, parents can receive full level of fee remission and need not pay any difference in school fees. Besides, the Education Bureau has regularised the provision of student grant starting from the 2020/21 school year. All students studying in secondary day-schools, primary schools and special schools as well as kindergartens will receive a student grant of \$2,500 every school year to alleviate parents' burden in education expenses; and

(iii) Create a fertility-friendly social atmosphere: the Home and Youth Affairs Bureau has been supporting the work of the Family Council in promoting a culture of loving families, as well as encouraging the wider adoption of more diversified and flexible family-friendly employment practices (FFEPs) in the community. These measures will also help promote a childbearing-friendly environment. Since 2023/24, the Family Council has been launching promotional videos entitled "Family-friendly Workplace" featuring various FFEPs adopted by local companies/ organisations with sharing by employers and employees. The FFEPs presented include breastfeeding-friendly arrangements, allowing employees to bring their children to work during summer vacation, work-from-home arrangement and flexible work hours. The Family Council has also collaborated with Radio Television Hong Kong to produce radio programmes to promulgate different FFEPs. The Family Council will continue the relevant promotion work.

The HKSARG will continue to keep in view the implementation of various measures to promote fertility and will conduct reviews at an appropriate time.

LCQ20: Retail infrastructure bonds

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (December 18):

Question:

It has been reported that the Government launched a retail infrastructure bond earlier on with a target issuance size of \$20 billion, but the subscription response was more lukewarm than expected, eventually resulting in an undersubscription where the subscription amount was only \$17.85 billion and the number of subscribers was the smallest among all previous government bond issuances, which also marked the first time that a government bond had experienced sluggish sales. In this connection, will the Government inform this Council:

 whether it has studied the reasons for the undersubscription of this bond issuance;

(2) whether it has assessed the impact of the aforesaid undersubscription of the first batch of retail infrastructure bond on the Government's proposed policy of issuing bonds on a continuous basis to alleviate the serious fiscal deficit that has occurred year after year and to meet future expenditure on large-scale infrastructure projects, and how the Government will respond to it;

(3) as the Financial Secretary pointed out earlier on that the retail infrastructure bond had been three to four times oversubscribed by institutional investors, whether Mandatory Provident Fund trustees were included; if so, of the following information about such trustees: the number and names of such trustees, and their subscribed and allotted amounts of the bond;

(4) as some economists have pointed out that in recent months, the interest rates of United States Treasury bonds have risen again (at variance with government officials' expectation of interest rate reductions), among which that of three-year Treasury bonds has exceeded 4 per cent, half a percentage point higher than the interest rate of the retail infrastructure bond, causing members of the public who have subscribed to the retail infrastructure bond to lose out immediately upon purchase, while some virtual life insurance companies in Hong Kong have even adjusted the rate of return for three-year Hong Kong dollar savings insurance upwards to 3.88 per cent per annum, which is higher than the interest rate for the retail infrastructure bond, whether the Government has reviewed its expectation of interest rate reductions in the United States, and whether it will issue bonds at higher interest rates and reduce the number of bond issuances and the fund to be raised in the future, so as to avoid the recurrence of undersubscription; and

(5) as there have been comments from the media pointing out that full or oversubscription of government bonds reflects public recognition of the Government's principles in managing public finances, while undersubscription triggers an alarm for the Government's fiscal discipline, whether the Government will learn a lesson from this to avoid persistently running a fiscal deficit to such an extent that causes members of the public to query its repayment ability or even dare not subscribe to the Government's new bonds issued in the future?

Reply:

President,

In consultation with the Hong Kong Monetary Authority (HKMA), the reply to the question raised by Hon Paul Tse is as follows:

(1), (2) and (5) The Government issues the Retail Infrastructure Bond to provide members of the public with a reliable investment option with steady returns, while enabling them to participate in infrastructure development. At the same time, members of the public would consider different investment options based on their own investment objectives.

The Retail Infrastructure Bond 2024 was issued on December 17, with an issuance size of around HK\$17.8 billion. On the subscription response to this tranche of the Retail Infrastructure Bond, since the current investment

market is relatively active with ample investment options, the investment decisions of the members of the public could be affected.

In drawing up and implementing the Government's bond issuance plan, there is flexibility to adjust the issuance arrangements and final issuance size of each bond issuance based on various factors including market conditions. While the final issuance size of an individual bond issuance may differ from the target issuance size, this will not affect the implementation of the Government's bond issuance plan and overall fiscal planning.

Apart from retail bonds, the Government also issues institutional bonds under the Infrastructure Bond Programme. Take the institutional infrastructure bonds issued in early December this year via tendering as an example, the bid-to-cover ratio ranged from around 3 to 4.5, reflecting investors' affirmation of local infrastructure and bond market development, as well as their confidence in Hong Kong's long-term development.

In the 2024-25 Budget, the Government put forward a fiscal consolidation programme which seeks to tackle fiscal deficit by containing the growth of Government expenditure, increasing revenue and issuing government bonds. All proceeds raised from Retail Infrastructure Bond will be credited to the Government's Capital Works Reserve Fund (CWRF) for investment in infrastructure projects supported by the CWRF. No bond proceeds will be used for funding Government recurrent expenditure. The Government will uphold the principle of keeping the expenditure within the limits of revenues as enshrined under Article 107 of the Basic Law and strive to achieve fiscal balance, thereby ensuring the sustainability of public finances. In drawing up the Budget for the new financial year, the Government will review the scale and magnitude of the fiscal consolidation programme.

(3) and (4) The Government issued institutional infrastructure bonds in early December via tendering, with bid-to-cover ratio ranging from around 3 to 4.5. The bonds were issued to Primary Dealers and may be traded by Primary Dealers with investors in the secondary market. The Government as an issuer does not have further details (e.g. whether Mandatory Provident Fund trustees were among the buyers) on the distribution of bonds in the secondary market.

As mentioned above, the Government issues the Retail Infrastructure Bond to provide members of the public with an investment option with steady returns, while enabling the public to participate in infrastructure development. While there are different types of investment options in the market, their nature (including risk, return, tenor and currency, etc.) may vary and may not be directly comparable.

We will keep the effectiveness of the scheme and future arrangements under review, taking account of investor response, market conditions and other relevant considerations.

Hong Kong Customs special operation combats sale of counterfeit goods (with photo)

Hong Kong Customs mounted a territory-wide special enforcement operation yesterday (December 17) to combat the sale of counterfeit goods and seized about 1,300 suspected counterfeit goods, with an estimated market value of about \$1.4 million. Four persons were arrested.

Customs earlier received information alleging that suspected counterfeit speakers and wireless headphones were on sale in a chain retail group. After an in-depth investigation and with the assistance of the trademark owner, Customs officers took enforcement action yesterday and raided the group's eight branches across the territory as well as an industrial unit in Kowloon. A batch of suspected counterfeit speakers and wireless headphones was seized.

During the operation, four men aged between 44 and 54 were arrested. They comprised two company directors and two shop managers.

An investigation is ongoing and the likelihood of further arrests is not ruled out.

Customs will continue to step up inspections and enforcement to vigorously combat the sale of different kinds of counterfeit goods.

Customs reminds consumers to procure goods at reputable shops and to check with the trademark owners or their authorised agents if the product's authenticity is in doubt. Traders should also be cautious and prudent with merchandising since selling counterfeit goods is a serious crime and offenders are liable to criminal sanctions.

Under the Trade Descriptions Ordinance, any person who sells or possesses for sale any goods with a forged trademark commits an offence. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years.

Members of the public may report the sale of suspected counterfeit goods to Customs' 24-hour hotline 182 8080 or its dedicated crime-reporting email account (<u>crimereport@customs.gov.hk</u>) or online form (<u>eform.cefs.gov.hk/form/ced002</u>).



<u>Fraudulent websites and phishing</u> <u>instant messages related to The</u> <u>Chugoku Bank, Ltd</u>

The following is issued on behalf of the Hong Kong Monetary Authority:

 $\hat{a} \in \langle \text{The Hong Kong Monetary Authority (HKMA) wishes to alert members of the public to a press release issued by The Chugoku Bank, Ltd relating to fraudulent websites and phishing instant messages, which have been reported to the HKMA. A hyperlink to the press release is available on <u>the HKMA</u> website.$

The HKMA wishes to remind the public that banks will not send SMS or emails with embedded hyperlinks which direct them to the banks' websites to carry out transactions. They will not ask customers for sensitive personal information, such as login passwords or one-time password, by phone, email or SMS (including via embedded hyperlinks).

Anyone who has provided his or her personal information, or who has conducted any financial transactions, through or in response to the websites or instant messages concerned, should contact the bank using the contact information provided in the press release, and report the matter to the Police by contacting the Crime Wing Information Centre of the Hong Kong Police Force at 2860 5012.

LCQ13: Parallel-imported electrical appliances

Following is a question by the Hon Shiu Ka-fai and a written reply by the Acting Secretary for Environment and Ecology, Miss Diane Wong, in the Legislative Council today (December 18):

Question:

In November this year, a member of the public was found unconscious after having shower at home, and was subsequently hospitalized for carbon monoxide poisoning, along with two family members living with him. It has been reported that the water heater used by the family concerned was purchased outside Hong Kong and was installed by the family itself. An investigation by the Electrical and Mechanical Services Department (EMSD) discovered that the water heater is of a flueless type, which should not be used in bathrooms, has not been approved by the EMSD, and does not bear a "GU" mark (i.e. a mark for domestic gas appliances approved by the Gas Authority of the EMSD). Some members of the community have pointed out that quite a number of people have purchased imported electrical appliances from cross-border e-commerce platforms or have personally brought electrical appliances into Hong Kong through customs (commonly known as "parallelimported electrical appliances") without paying recycling levies (which apply to regulated electrical equipment) or obtaining energy efficiency labels and certificates of safety compliance issued by the EMSD, thus posing potential safety hazards to the public. In this connection, will the Government inform this Council:

(1) of the details of the incidents caused by non-compliant parallel-□imported electrical appliances in each of the past three years and this year to date (including the type of products involved and the number of casualties);

(2) whether it will consider requiring all imported electrical appliances purchased from cross-border e-commerce platforms and those which are personally brought into Hong Kong through customs be subject to prior declaration as well as conducting stop-and-search actions at various boundary control points, so as to ensure that such electrical appliances comply with Hong Kong's requirements relating to product safety compliance, energy efficiency labelling and recycling levy, etc., before being imported into Hong Kong; if so, of the details; if not, the reasons for that;

(3) of the quantities of parallel-imported electrical appliances which have been seized by the Government in the local market for non-[compliance with the statutory requirements of Hong Kong in each of the past three years and this year to date (set out in a table by type of products and reason for noncompliance); and (4) how it will eradicate the sale and supply of parallel-imported electrical appliances which do not comply with the statutory requirements of Hong Kong, and penalize those who engage in the relevant activities?

Reply:

President,

The Electrical and Mechanical Services Department (EMSD) is responsible for the enforcement of the Gas Safety Ordinance (Cap. 51), Energy Efficiency (Labelling of Products) Ordinance (Cap. 598) and the Electrical Products (Safety) Regulation (the Regulation) made under the Electrical Ordinance (Cap. 406) to ensure public safety in the use of household electrical products and gas appliances, as well as to promote the energy efficiency of household products. In addition, to minimise the environmental impacts of various products, the Environmental Protection Department (EPD) has fully implemented the Producer Responsibility Scheme on Waste Electrical and Electronic Equipment (WPRS) since 2018 to mandate that suppliers shall pay to the Government the corresponding recycling levy.

Regarding the various parts of the question raised by the Hon Shiu Kafai, the reply is as follows:

(1) The numbers of incident cases involving household electrical products in the past three years and the first six months of this year are set out in the table below:

	Incident cases involving household electrical products
2021	46
2022	50
2023	51
2024 (January to June)	28

Remarks: There are various causes for the above-mentioned incidents involving household electrical products. Some of the incident cases were not related to the safety standards of the household electrical products. The EMSD does not maintain the breakdown of the number of cases involving parallel imported electrical products.

The types of products involved in the cases are at the Annex. The EMSD does not maintain records of the number of casualties involved in the incident cases.

(2) and (4) The Regulation provides statutory control over all household electrical products supplied in Hong Kong, including parallel imported electrical products, to ensure the safety of the public in the use of these electrical products. In addition, all household electrical products currently supplied in Hong Kong, whether they are parallel imported products or not, must comply with relevant statutory regulations if they are prescribed products under the Energy Efficiency (Labelling of Products) Ordinance and the Product Eco-responsibility Ordinance (Cap. 603).

According to the Regulation, suppliers of household electrical products are required to ensure that the products have been issued with certificates of safety compliance and comply with applicable safety requirements before supply in Hong Kong. Every year, the EMSD conducts sample checks for household electrical products supplied in Hong Kong and engages third party testing and certification bodies to conduct testings on the relevant safety standards for selected electrical products. If relevant products are suspected to be in violation of the Regulation, the EMSD will conduct followup investigations. The EMSD also conducts inspections at retail stores, local e-commerce platforms and their suppliers. Prosecutions will be carried out for non-compliant household electrical products identified during inspections. Any person who supplies household electrical product for which a valid certificate of safety compliance has not been issued in accordance with the Regulation commits an offence and is liable on conviction to a fine at level 3.

According to Energy Efficiency (Labelling of Products) Ordinance, energy labels are required to be shown on the prescribed products for supply in Hong Kong to inform consumers of their energy efficiency performance. Any person who contravenes such a requirement commits an offence and is liable on conviction to a fine at level 6.

The Product Eco-responsibility Ordinance stipulates that any person who manufactures regulated electrical equipment (REE) in Hong Kong in the course of business or imports REE into Hong Kong for distribution, is subject to control under the WPRS, regardless of whether the relevant sales platform is online or not. In addition, any person who acts as a purchasing agent, conducts reselling business or distributes parallel imported REE shall be regarded as suppliers and/or sellers.

If anyone purchases prescribed products from a cross-border e-commerce platform or imports prescribed products in person for personal use, since the prescribed products are not supplied in Hong Kong, they fall outside the purview of the both the Energy Efficiency (Labelling of Products) Ordinance and the Regulation, and therefore does not violate the relevant legislations. Similarly, if members of the public purchase REE directly from other places or via online sales platforms outside Hong Kong, or bring so into Hong Kong through border control points for personal use, relevant acts do not involve distribution, sales or other commercial activities. Therefore, these acts fall outside the scope of WPRS and do not violate the relevant laws.

In response to the upward trend of cross-border purchases of household electrical products by the public in recent years and to enhance public safety awareness of purchasing household electrical products, the EMSD has strengthened public education from various aspects since 2023, such as collaborating with the Home Affairs Department and non-governmental organisations to organise a number of seminars and talks, as well as

publishing promotional messages and videos through social media platforms so as to remind the public to pay attention to labels, safety requirement and energy efficiency performance of household electrical product. before purchasing these products. Also, the Cross-border E-commerce Working Group was established under the Cooperation Arrangement on Electrical and Mechanical Products Safety and Energy Efficiency between the EMSD and the General Administration of Customs of the People's Republic of China. The work of the Working Group focuses on controlling the risks arisen from crossborder e-commerce platforms, including the reporting of non-compliant electrical and mechanical products supplied from cross-border e-commerce platforms via the established reporting mechanism, and the arrangements of publicity and education work targeting the trade of cross-border e-commerce platforms. The EMSD reported to the Mainland authority regularly for the electrical products supplied from Mainland cross-border e-commerce platforms to Hong Kong. Upon the notifications, the Mainland authorities will conduct follow-up actions according to situation of the cases, including taking measures such as proactively incepting orders. The EMSD also co-organises policy and regulation briefings with the relevant Mainland authorities every year, to explain to personnel of cross-border e-commerce platforms, manufacturers of mechanical and electrical products and testing institutions the relevant laws and regulations, as well as instructions for the supply of mechanical and electrical products in Hong Kong. The purpose is to enhance the knowledge and understanding of the regulations related to the export of household mechanical and electrical products to Hong Kong of the cross-border e-commerce industry in the Mainland. In addition, the EMSD plans to set up promotion posters at border control points to remind public of the attention required when purchasing household electrical products across the border.

The EPD and the EMSD have established a communication mechanism to exchange intelligence on suspected offences relating to the safety of electrical products, the Mandatory Energy Efficiency Labelling Scheme and the WPRS. A joint enforcement operation was conducted in July 2024 and the cases of suspected violation are now being followed-up. Prosecution will be initiated in case of sufficient evidence. The EMSD will sign a Cooperation Arrangement on Quality and Safety Management with the State Administration for Market Regulation in December 2024, which includes promoting cooperation and communication in the field of cross-border electrical product safety. With the support of relevant Mainland authorities, the EMSD has been actively collaborating with major e-commerce platforms in the Mainland to strengthen the interception of non-compliant electrical products supplied to Hong Kong. The EMSD will continue to liaise with various major e-commerce platforms to explore expanding the coverage of such control measures to other e-commerce platforms and products.

Regarding the purchase of electrical products supplied through crossborder e-commerce platforms and those imported in person, the Government currently has no plans to amend the relevant regulations to cover these electrical products after referencing to overseas regulatory practices and taking into account the need to strike a balance between the practicality of law enforcement and the prevailing business environment. The EMSD and the EPD will continue to adopt a risk-based approach in enforcement actions and will raise public safety awareness of using electrical products through publicity and education, as well as encourage them to purchase energy-efficient products.

(3) The numbers of cases which contravene the Energy Efficiency (Labelling of Products) Ordinance and the Regulation in the past three years and the first six months of this year are set out in the table below:

Year	2021	2022	2023	2024 (January to June)
Cases which contravene the Energy Efficiency (Labelling of Products) Ordinance (Failing to attach or affix with energy label on prescribed products for supply)	4	4	3	1
Cases which contravene the Electrical Products (Safety) Regulation	67	53	60	30

Remarks: The EMSD does not maintain the breakdown of the number of cases involving parallel imported electrical products.

The cases which contravene the Energy Efficiency (Labelling of Products) Ordinance mainly included televisions, induction cookers and dehumidifiers, and all the cases involved failing to attach or affix with energy label on prescribed products for supply. The cases which contravene the Regulation mainly included adaptors, extension units and USB chargers. All the cases involved supplying electrical product for which no certificate of safety compliance has been issued as required by the Regulations or supplying electrical product which fails to comply with the applicable safety requirements.

The numbers of prosecution cases involving parallel imported REE in violation of the WPRS in the past three years and the first ten months of this year are set out in the table below:

	Number of prosecution cases involving parallel imported REE in violation of the WPRS
2021	Θ
2022	1
2023	3
2024 (January to October)	0

The above cases mainly involved laptop computers, tablets and mini desktop computers, and the reasons for non-compliance are associated with distribution of REE by supplier without being registered and distribution of REE by a seller without an endorsed removal service plan, etc.