

CONTROLLING OFFICER'S REPLY

TLB046

(Question Serial No. 1852)

Head: (100) Marine Department
Subhead (No. & title): (-) Not Specified
Programme: (4) Services to Ships
Controlling Officer: Director of Marine (Mr S.F. WONG)
Director of Bureau: Secretary for Transport and Logistics

Question:

To consolidate Hong Kong's premier position in ship registration, the Government will introduce an amendment bill this year to revamp the existing ship registration arrangements, including permitting dual registration arrangement to cater for the diverse operating models of international maritime enterprises. Will the Government inform this Committee of the details? Please advise on the resources to be allocated by the Government and the expected outcomes. (Paragraph 146 of the Budget Speech)

Asked by: Hon CHAN Hiu-fung, Nick (LegCo internal reference no.: 29)

Reply:

To enhance and consolidate the competitiveness of ship registration in Hong Kong, the Government plans to introduce an amendment bill to the Legislative Council in the second half of 2026 to revamp the ship registration system in Hong Kong. The initiative aims to accommodate the diverse operating models of international maritime enterprises and the needs of the maritime industry. The amendment bill will mainly cover four areas, including enhancing flexibility in registration arrangements, strengthening control measures to maintain the quality of the fleet, abolishing obsolete registration procedures, and optimising the handling procedures and charging arrangements of the Government.

According to existing legislation, ships registered abroad are not eligible for registration as Hong Kong flagged ships. To align with the prevailing business model of ship leasing, the amendment bill will propose allowing dual registration under the circumstances of suspension of original registration by shipowners, i.e. demise charter-in registration (viz. allowing ships registered abroad to suspend foreign flag registration and register and operate in Hong Kong under a demise charter) and demise charter-out registration (viz. allowing Hong Kong-registered ships to suspend Hong Kong flag registration and register and operate with foreign flags under a demise charter). When compared with a direct transference of flag, this proposed arrangement will provide shipowners with greater operational flexibility, including flexibility in the nationalities of crew members employed. In addition, this proposed

arrangement will cater for the business model of ship leasing, thereby attracting a wider range of shipowners to register their ships in Hong Kong. Coupled with the local and overseas promotional and publicity efforts by the Government, as well as the new incentive scheme for Hong Kong-registered ships using green maritime fuels announced in the 2026-27 Budget, these measures will create significant competitive edge for Hong Kong in ship registration, enhancing the competitiveness of Hong Kong in the realm.

The implementation of the above measures forms part of the normal duties of the staff concerned and will be undertaken with existing resources. There is no separate breakdown on the manpower and expenditure involved.

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