

Head 5 — FINES, FORFEITURES AND PENALTIES

Details of Revenue

Sub-head (Code)	Actual revenue 2016–17	Original estimate 2017–18	Revised estimate 2017–18	Estimate 2018–19
	\$'000	\$'000	\$'000	\$'000
010 Court fines and statutory penalties	603,756	571,888	505,268	482,098
020 Forfeitures	121,735	106,404	563,721	112,014
030 Fixed penalty system (Traffic Contraventions) ..	554,845	544,672	581,131	615,893
040 Fixed penalty system (Criminal Proceedings) ...	211,310	206,553	214,282	220,710
050 Payments by civil servants	4,747	3,490	5,427	4,480
060 Fixed penalty system (Motor Vehicle Idling)	18	17	16	16
Total	<u>1,496,411</u>	<u>1,433,024</u>	<u>1,869,845</u>	<u>1,435,211</u>

Description of Revenue Sources

This revenue head covers fines imposed by the courts and penalties imposed by statute, forfeitures resulting from court orders or from breaches of contracts and agreements with the Government, penalties arising from the fixed penalty system for offences under the Fixed Penalty (Traffic Contraventions) Ordinance (Cap. 237), the Fixed Penalty (Criminal Proceedings) Ordinance (Cap. 240) and the Motor Vehicle Idling (Fixed Penalty) Ordinance (Cap. 611), the fixed penalty ticket system for parking offences in public housing estates and payments by civil servants in respect of disciplinary proceedings and breaches of contracts.

Revenue from fines, forfeitures and penalties generated 0.4% of total revenue in 2017–18.

Underlying Changes in Revenue Yield

The 2017–18 revised estimate of \$1,869,845,000 reflects a net increase of \$436,821,000 (30.5%) over the original estimate.

Under *Subhead 010 Court fines and statutory penalties*, the decrease of \$66,620,000 (11.6%) is mainly due to the lower-than-expected revenue from court fines and fines ordered by the Securities and Futures Commission and the Hong Kong Monetary Authority.

Under *Subhead 020 Forfeitures*, the increase of \$457,317,000 (429.8%) is mainly due to the higher-than-expected revenue from forfeiture cases.

Under *Subhead 050 Payments by civil servants*, the increase of \$1,937,000 (55.5%) is mainly due to the higher-than-expected payments by civil servants resigning from the civil service who choose to pay salary in lieu of observing the prescribed notice period.

The 2018–19 estimate of \$1,435,211,000 reflects a net decrease of \$434,634,000 (23.2%) against the revised estimate for 2017–18.

Under *Subhead 020 Forfeitures*, a decrease of \$451,707,000 (80.1%) is expected mainly because the revenue from forfeiture cases is expected to drop.

Under *Subhead 050 Payments by civil servants*, a decrease of \$947,000 (17.4%) is expected mainly because the payments by civil servants resigning from the civil service who choose to pay salary in lieu of observing the prescribed notice period are expected to drop.