

Head 5 — FINES, FORFEITURES AND PENALTIES

Details of Revenue

Sub-head (Code)	Actual revenue 2018–19	Original estimate 2019–20	Revised estimate 2019–20	Estimate 2020–21
	\$'000	\$'000	\$'000	\$'000
010 Court fines and statutory penalties.....	1,449,670	527,067	1,085,593	551,000
020 Forfeitures.....	470,030	83,884	238,876	110,000
030 Fixed penalty system (Traffic Contraventions)..	677,758	693,810	525,586	679,900
040 Fixed penalty system (Criminal Proceedings) ...	232,424	230,095	194,390	231,800
050 Payments by civil servants.....	6,860	4,958	5,574	5,850
060 Fixed penalty system (Motor Vehicle Idling)	16	17	17	17
Total.....	<u>2,836,758</u>	<u>1,539,831</u>	<u>2,050,036</u>	<u>1,578,567</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 0.5% of total revenue in 2019–20.

Underlying Changes in Revenue Yield

The 2019–20 revised estimate of \$2,050,036,000 reflects a net increase of \$510,205,000 (33.1%) over the original estimate.

Under *Subhead 010 Court fines and statutory penalties*, the increase of \$558,526,000 (106.0%) is mainly due to the higher-than-expected revenue from court fines and fines ordered by the Securities and Futures Commission.

Under *Subhead 020 Forfeitures*, the increase of \$154,992,000 (184.8%) is mainly due to the higher-than-expected revenue from forfeiture cases.

Under *Subhead 030 Fixed penalty system (Traffic Contraventions)*, the decrease of \$168,224,000 (24.2%) is mainly due to the lower-than-expected number of fixed penalty tickets issued for traffic offences.

Under *Subhead 040 Fixed penalty system (Criminal Proceedings)*, the decrease of \$35,705,000 (15.5%) is mainly due to the lower-than-expected number of fixed penalty tickets issued for traffic offences.

Under *Subhead 050 Payments by civil servants*, the increase of \$616,000 (12.4%) is mainly due to the higher-than-expected payments by civil servants resigning from the civil service who paid salary in lieu of observing the prescribed notice period.

The 2020–21 estimate of \$1,578,567,000 reflects a net decrease of \$471,469,000 (23.0%) against the revised estimate for 2019–20.

Under *Subhead 010 Court fines and statutory penalties*, a decrease of \$534,593,000 (49.2%) is expected mainly due to an anticipated decrease in revenue from fines.

Under *Subhead 020 Forfeitures*, a decrease of \$128,876,000 (54.0%) is expected mainly because the revenue from forfeiture cases is expected to drop.

Under *Subhead 030 Fixed penalty system (Traffic Contraventions)*, an increase of \$154,314,000 (29.4%) is expected mainly because the number of fixed penalty tickets issued for traffic offences is expected to rise.

Under *Subhead 040 Fixed penalty system (Criminal Proceedings)*, an increase of \$37,410,000 (19.2%) is expected mainly because the number of fixed penalty tickets issued for traffic offences is expected to rise.