

## Head 5 — FINES, FORFEITURES AND PENALTIES

### Details of Revenue

Sub-head (Code)	Actual revenue 2020–21	Original estimate 2021–22	Revised estimate 2021–22	Estimate 2022–23
	\$'000	\$'000	\$'000	\$'000
010 Court fines and statutory penalties.....	3,289,552	449,000	785,000	531,000
020 Forfeitures.....	254,739	63,000	243,000	67,000
030 Fixed penalty system (Traffic Contraventions)..	983,973	1,024,000	1,079,000	1,179,000
040 Fixed penalty system (Criminal Proceedings) ...	223,041	246,400	234,700	240,900
050 Payments by civil servants.....	20,231	6,430	16,880	11,190
060 Fixed penalty system (Motor Vehicle Idling) ....	4	16	8	8
Total.....	<u>4,771,540</u>	<u>1,788,846</u>	<u>2,358,588</u>	<u>2,029,098</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 (e.g. in respect of disciplinary proceedings and breaches of contracts).

Revenue from fines, forfeitures and penalties generated 0.5% of total revenue in 2021–22.

### Underlying Changes in Revenue Yield

The 2021–22 revised estimate of \$2,358,588,000 reflects a net increase of \$569,742,000 (31.8%) over the original estimate.

Under *Subhead 010 Court fines and statutory penalties*, the increase of \$336,000,000 (74.8%) is mainly due to the higher-than-expected revenue from fixed penalties imposed for prevention and control of disease, and fines ordered by the Securities and Futures Commission and Hong Kong Monetary Authority.

Under *Subhead 020 Forfeitures*, the increase of \$180,000,000 (285.7%) is mainly due to the higher-than-expected revenue from forfeiture cases.

Under *Subhead 050 Payments by civil servants*, the increase of \$10,450,000 (162.5%) 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.

Under *Subhead 060 Fixed penalty system (Motor Vehicle Idling)*, the decrease of \$8,000 (50.0%) is due to the lower-than-expected number of fixed penalty tickets issued for motor vehicle idling offences.

The 2022–23 estimate of \$2,029,098,000 reflects a net decrease of \$329,490,000 (14.0%) against the revised estimate for 2021–22.

Under *Subhead 010 Court fines and statutory penalties*, a decrease of \$254,000,000 (32.4%) is expected mainly due to an anticipated decrease in revenue from fines.

Under *Subhead 020 Forfeitures*, a decrease of \$176,000,000 (72.4%) is expected mainly because the revenue from forfeiture cases is expected to drop.

Under *Subhead 050 Payments by civil servants*, a decrease of \$5,690,000 (33.7%) 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.