LCQ22: Retention period of movement records

Following is a question by the Hon Cheung Kwok-kwan and a written reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (October 31):

Question:

In August this year, a Hong Kong resident, who was serving a life sentence handed down by a local court in the Philippines many years ago for alleged drug possession, requested through his family members the Immigration Department (ImmD) to provide his immigration records 18 years ago as evidence for the purpose of lodging an appeal to the Supreme Court of the Philippines. However, ImmD was unable to provide the relevant information because the immigration records of Hong Kong people would be retained for 10 years only and would all be destroyed thereafter. In this connection, will the Government inform this Council:

(1) of (i) the time when ImmD started implementing the arrangement of retaining immigration records for 10 years and (ii) the reasons for implementing the arrangement;

(2) whether ImmD has assessed if there will be practical difficulties for extending the retention period for immigration records; if ImmD has assessed, of the outcome;

(3) whether it knows other jurisdictions' retention periods in general for the immigration records of their nationals and visitors; and

(4) whether ImmD will draw experience from this incident and review the relevant retention period; if so, when the review will be conducted; if not, of the reasons for that?
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Reply:

President,

My consolidated reply to Hon Cheung Kwok-kwan's question is as follows:

According to the records management policy of the HKSAR Government, to ensure systematic planning of records disposal after records have been kept for an appropriate period of time, bureaux/departments are required to develop retention and disposal schedules for their programme records and to specify the retention period and disposal arrangements of records, taking into account the administrative, operational, fiscal and legal requirements as well as the archival value of records. The retention period of records should meet the purposes they are created and comply with relevant legal or

statutory requirements. In addition, if the records contain personal data, bureaux/departments should consider the retention period of the personal data in accordance with the requirements as stipulated in Section 26 and Data Protection Principle 2 of the Personal Data (Privacy) Ordinance, i.e. personal data should not be kept longer than necessary to fulfil the purpose for which it is used.

Movement records are a kind of programme records of the Immigration Department (ImmD). In drawing up retention and disposal schedules for various kinds of programme records (including movement records), ImmD will take into account all of the above factors and submit the draft retention and disposal schedules to the Government Records Service (GRS) for approval pursuant to the requirements under the records management policy with a view to ensuring creation and collection of adequate but not excessive records and striking a balance between proper maintenance of records and retention of records of archival value. The retention period of movement records is 10 years, thus the time-expired records will be destroyed as required after obtaining the prior agreement of the GRS.

ImmD will regularly review the retention and disposal requirements for movement records in accordance with the guidelines of the GRS and the actual operational needs to ensure proper records management. In consideration of the purpose and practical need to keep the travellers' movement records, as well as the above-mentioned principles, ImmD in general maintains the current retention period for the said records. Should situation warrant, for example under special circumstances involving the case of Hong Kong residents being arrested or detained outside Hong Kong where the need to keep an individual's movement records for longer period arise, ImmD will handle the matter on a case-by-case basis.

ImmD does not have information on the general retention period of the movement records of nationals and visitors of other jurisdictions.

LCQ18: Lion dance permit

Following is a question by the Hon Jeremy Tam and a written reply by the Secretary for Security, Mr John Lee, in the Legislative Council today (October 31):

Question:

Lion dance, dragon dance and unicorn dance sports (dragon and lion dance sports) have been included in the Intangible Cultural Heritage Inventory of Hong Kong. The Convention for the Safeguarding of the Intangible Cultural Heritage stipulates that governments should safeguard intangible cultural heritage (ICH), that is, to take measures, including identification,

documentation, research, preservation, protection, promotion, enhancement, transmission and revitalisation, to ensure the viability of ICH. On the other hand, under section 4C of the Summary Offences Ordinance (Cap. 228), any person who organises or participates in a lion dance, dragon dance or unicorn dance, or any attendant martial arts display in a public place is guilty of an offence, unless the person has been issued with a permit or granted an exemption by the Commissioner of Police. Some members of the public have relayed that the procedure for handling permit applications and the documents required to be submitted by applicants vary among the divisional police stations, leaving the public unsure of what to do. Some parents have also relayed that on the eve of their young children's participation in dragon and lion dance sports, they received phone calls from the Police enquiring about their children's detailed information (e.g. hobbies, personalities, family backgrounds and academic achievements); such an act by the Police may arouse unnecessary worries among parents, thereby making them unwilling to allow their children to continue to participate in such sports. In this connection, will the Government inform this Council:

(1) as the Government indicated in its reply to a question raised by a Member of this Council on June 11, 2014 that given the unique nature of dragon and lion dance sports, it was necessary for the Government to ensure that the sports would not disturb public order or jeopardise public safety, and the permit system helped ensure that the sports would not be used by lawbreakers to carry out illegal activities, (i) in what way the nature of such sports is unique, and (ii) how such a nature may lead to such spots disturbing public order or jeopardising public safety;

(2) of the respective numbers of permit applications received and rejected by the Police in each of the past five years; among the cases rejected, the respective numbers of applications rejected on the grounds that such activities, in the Police's judgment, (i) might disturb public order or jeopardise public safety and (ii) might be used by lawbreakers to carry out illegal activities;

(3) of the respective numbers of people in each of the past five years who were arrested, prosecuted and convicted for committing criminal offences during their participation in dragon and lion dance sports (with a breakdown by offence), as well as the punishments imposed on those convicted;

(4) of the channels, apart from checking if the participants have any records of criminal convictions, through which the Police vet their backgrounds when processing permit applications, as well as the details of such work; whether such channels include making phone calls to the parents of young participants;

(5) whether the Police will issue or update the internal guidelines for handling permit applications, including standardising the handling procedure and the documents required to be submitted by applicants, and ensuring that the various divisional police stations will act in strict compliance with the guidelines; if so, of the details; if not, the reasons for that; and

(6) whether it has reviewed if the current policies and measures regulating dragon and lion dance sports are contrary to the obligation to safeguard ICH; if it has, of the outcome; if not, whether it will conduct a review immediately; of the measures the Government will take to mitigate the negative labelling effect on dragon and lion dance sports brought about by the current policies and measures, so as to avoid deterring members of the public who aspire to preserve and promote such a traditional culture from participating in such sports?

Reply:

President,

Section 4C of the Summary Offences Ordinance (Cap. 228) stipulates that any person who organises or participates in a lion dance, dragon dance, unicorn dance (lion dance), or any attendant martial arts display in a public place, save for persons exempted by the Commissioner of Police (CP), shall be subject to the conditions of the permit issued by the CP. The purpose of this policy is to prevent the involvement of lawbreakers in lion dance activities and to ensure that such activities will not cause public disorder, including traffic congestion, noise nuisance or other inconvenience to the public, or affect public safety. For scrutiny of the applications, the Police require all applicants and participants of such activities to authorise the Police to check their criminal conviction records.

My reply to Hon Tam's questions is as follows:

(1) to (3) There are lawbreakers who solicit red packets from shops or members of the public through lion dance activities during festivals, and most of the persons convicted of the offence of "participating in a lion dance in a public place without a permit" in recent years had a number of previous convictions for robbery, claiming to be members of triad societies, wounding, blackmail, etc. In additional, fighting and wounding had occurred in the past as a result of the rivalry between lion dance troupes. Over the past five years, the Police successfully prosecuted 18 persons for the offence of "participating in a lion dance without a permit" according to Section 4C of the Summary Offences Ordinance (Cap. 228). The persons concerned were placed on probation orders or sentenced to a fine.

The issue of lion dance permits by the Police helps prevent lawbreakers from using such sports for illegal activities. As at August 2018, the figures on the applications for lion dance permits received by the Police are as follows:

Year	Number of applications for permits	Number of permits issued	Number of exemptions granted
2015	2 473	2 461	12
2016 (Note 1)	2 340	2 332	7

2017 (Note 2)	2 355	2 349	5
2018 (January to August)	2 124	2 119	5

Note 1: One application was rejected since the location of the activity and the arrangement of the performance would affect traffic safety.
Note 2: The applicant of one application withdrew his application afterwards.

(4) to (6) The Police have established procedures and guidelines for processing applications for lion dance permits, and will assess each and every application. The Police will consider various relevant factors, including the venue, time and nature of the activity organised, the impact on traffic and residents, the background of the organiser and its past record, whether the activity will be used for illegal purposes, etc. If the Police are satisfied that the activity does not involve lawbreakers and will not jeopardise public order and public safety, a permit will be issued.

In case the applicant or participants of an activity have criminal conviction records, the Police shall, taking into account the nature and gravity of their convictions, consider whether the purpose of such activity is to cover up illegal activities. This does not imply that persons with criminal conviction records will automatically be banned from taking part in these activities. Upon scrutiny, the Police shall reject applications for activities which are considered to be seriously affecting public order or public safety, or suspected to be related to illegal activities. The Police may, having regard to the participants and arrangement of each activity, exempt appropriate activities from application for the permit. If necessary, the Police will contact the applicant or participants to verify their information.

The Police have been continually reviewing the existing mechanism and maintaining close liaison with the sector to refine the application procedures for lion dance permits. To expedite the procedures for approving applications for exemption, since September this year, the Police have extended the power to approve exemptions from the Police Licensing Office to regional and district commanders, and advised the front-line districts and regions to consider approving exemptions for appropriate activities to simplify the application procedures. In addition, the Police are proactively examining the feasibility of allowing submission of lion dance permit applications and uploading of the necessary documents through electronic means, with a view to saving the time needed for applicants to submit applications in person at police stations. Depending on the progress of system development, the online application system is expected to commence operation in 2020.

In addition, the Police Licensing Office liaises with regions and districts regularly to ensure that lion dance permit applications are processed in accordance with the established procedures, while maintaining close communication with the sector to refine the application procedures for

permits.

It is necessary for the Police to ensure that public order and public safety are not affected when lion dance activities are conducted in public places. The Police continually review the relevant mechanism and the refinements made so as to allow the development of lion dance activities on the one hand, and ensuring that these activities will not be used by lawbreakers for illegal purposes on the other. Organisers of such activities are only required to submit applications to the Police when their performances are to be held in public places. The Police will consider granting exemption to facilitate applicants if they are satisfied that the lion dance activities do not involve any lawbreakers and will not jeopardise public order and public safety.

LCQ13: Bank accounts of travel agencies

Following is a question by the Hon Yiu Si-wing and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (October 31):

Question:

I have learnt that two bank accounts under the name of a travel agency were frozen one after another within two years. The person-in-charge of the travel agency made repeated enquiries with the bank concerned and demanded unfreezing of the accounts, but to no avail. It was only after he had sought assistance from the Hong Kong Monetary Authority (HKMA) that the two accounts were unfrozen. As far as he knows, the reason for the accounts of his travel agency being frozen was probably that his travel agency had organised several years ago a tour group to Iran which was then under the sanctions of the United Nations (UN). In this connection, will the Government inform this Council:

(1) whether the HKMA (i) has issued guidelines regarding the circumstances under which banks may freeze accounts, and (ii) knows the number of bank accounts which were frozen in each of the past three years on the grounds that there had been fund transfers between the account holders and the countries being sanctioned by the UN; if so, of the details; if not, the reasons for that;

(2) whether the HKMA has drawn up guidelines or codes of practice to require that, in respect of freezing of accounts, banks must (i) conduct it in a transparent and reasonable manner, (ii) set a time limit for the freeze, (iii) explain to the customers concerned the reasons, and (iv) propose solutions; if so, of the details; if not, the reasons for that; and

(3) as quite a number of travel agencies in Hong Kong are actively exploring business opportunities in the countries along the Belt and Road, which will give rise to fund transfers with these countries, and such travel agencies are worried that their bank accounts may be frozen in the event that such countries are suddenly sanctioned by the UN, how the HKMA will allay the industry's concern in this regard and provide the needed assistance?

Reply:

President,

(1) to (3) In recent years, as the international community steps up efforts to combat money laundering and terrorist financing , financial institutions around the world have generally strengthened the related controls, including undertaking more comprehensive due diligence and on-going monitoring on customers. Global sanctions regimes and other regulatory requirements have added to the complexity of the global banking landscape. The Hong Kong Monetary Authority (HKMA) has been reminding the local banking industry that, in implementing robust anti-money laundering and counter-terrorist financing controls, they should be mindful not to create unreasonable hurdles for legitimate businesses and ordinary citizens to access banking services. The HKMA has issued guidance to banks in the past two years, reiterating that banks should apply a risk-based approach in conducting customer due diligence (CDD) on new and existing customers for the opening and maintenance of bank accounts. Banks should also maintain proper communication with customers throughout the CDD process, and ensure that the process is transparent, reasonable and efficient, in line with the "Treat Customers Fairly" principle.

The HKMA requires banks to consider a range of risk factors in assessing the risk level of individual customers; country risk is only one of the factors to be considered. Individual banks also establish their own CDD policies based on internal policies and risk appetite. Banks should follow the relevant terms and conditions previously agreed with the customers when dealing with the operation of accounts.

Generally speaking, during on-going monitoring process where banks suspect that any accounts are involved in irregular or suspicious transactions, or if customers refuse to provide the required information, banks should take appropriate risk mitigating measures, such as by filing a suspicious transaction report as required by law, or restraining the operation of the accounts. Regular operation of the account will be resumed upon the provision of relevant information by the concerned customer to address the bank's concerns. The HKMA requires banks to explain to customers the reasons for any actions taken on the accounts where appropriate. The HKMA received 36, 40 and 36 complaint cases concerning freezing of corporate accounts by banks in 2016, 2017 and 2018 (up to September 30, 2018) respectively, some of which resumed operation after the customers had provided the requisite information. The HKMA does not maintain statistics in relation to accounts frozen due to fund flows with countries sanctioned by the United Nations.

The HKMA requires banks to put in place appropriate and effective mechanism and procedures for handling customer complaints, and for following up individual cases in a fair and expeditious manner. Retail banks should also have procedures to handle customers' requests for reviewing the banks' decisions on account maintenance. If a customer considers that a bank has not handled his/her case properly, he/she can make a complaint to the bank concerned or consider lodging a complaint against the bank with the HKMA. The HKMA will follow up each and every case in an appropriate manner.

LCQ11: Investments and assets of Long Term Growth Portfolio of Exchange Fund

Following is a question by the Hon James To and a written reply by the Secretary for Financial Services and the Treasury, Mr James Lau, in the Legislative Council today (October 31):

Question:

In reply to a question I raised in May this year about the investments made by the Hong Kong Monetary Authority (HKMA) in the infrastructure projects of the countries and regions along the Belt and Road (B&R), the Government indicated that HKMA had all along been actively sourcing investment opportunities globally, including B&R-related projects, and that infrastructure was a key asset class of the Long Term Growth Portfolio (LTGP) of the Exchange Fund. Besides, the Financial Secretary (FS) stated in September this year in his blog article on B&R development that "with the support of the State-owned Assets Supervision and Administration Commission of the State Council, the HKMA is exploring cooperation with some state-owned enterprises to jointly look for attractive overseas projects with stable returns, and to consider investing in these projects as equity investors." On the other hand, the authorities have capped the proportion of the market value of the LTGP in the accumulated surplus of the Exchange Fund at one-third. Also, 50% of the capital of the Future Fund, which was set up by the Government in 2016, has been placed in LTGP. In this connection, will the Government inform this Council:

(1) of the details of each of the B&R-related projects joint-investment into which the HKMA is exploring with state-owned enterprises (joint-investment projects), including the form, size, region and horizon of the investments; and the earliest time anticipated for investing in the first project;

(2) given that the average annual internal rate of return of the LTGP was 13.7% from 2009 to 2017, whether the authorities anticipate that the average internal rate of return of joint-investment projects will be higher than that figure; of the factors which the HKMA will consider in determining whether to

invest in joint-investment projects and whether those factors include the said rate of return;

(3) of the approach currently adopted by the HKMA for exploring cooperation with state-owned enterprises and for performing due diligence in respect of joint-investment projects, so as to minimise investment risks; whether the HKMA will make the investments itself or through investment managers; should it be the latter, of the selection criteria (including their experience and track records) for investment managers;

(4) given that the risks involved in equity investment are generally higher than those associated with loans and other forms of investments, whether the HKMA will invest in joint-investment projects in the form of loans or through other forms of investments; if so, of the respective numbers of projects to be invested in different forms in the coming three years, as anticipated by the HKMA;

(5) whether the HKMA will, in respect of joint-investment projects, (i) establish a mechanism to minimise investment risks, (ii) request that terms for protecting its investments be included in investment agreements, and (iii) contain potential losses (e.g. capping the investment amounts);

(6) as the Deputy Chief Executive of the HKMA has indicated that the HKMA will maintain the requisite governance rights in various types of investment projects under the LTGP, so as to ensure its ongoing right to monitor such investment projects, otherwise it will consider abandoning the relevant projects, whether such principle applies to joint-investment projects; if so, how the HKMA will manifest the requisite governance rights;

(7) whether there will be differences between joint-investment projects and other types of investment projects under LTGP in respect of matters relating to business strategy, personnel appointment powers, etc.;

(8) whether the HKMA has set ceilings in respect of (i) the amount of its investment in individual joint-investment projects, (ii) the total amount of investments in joint-investment projects, and (iii) the proportion of the total amount of investments in joint-investment projects in the LTGP or the Exchange Fund; if so, of the details; if not, the reasons for that;

(9) of the circumstances and mechanism under which the HKMA may revise the ceiling of the proportion of the market value of the LTGP in the accumulated surplus of the Exchange Fund; apart from the money that has been set aside for the Future Fund, whether there is a mechanism to enable the Government to invest additional amount of funds from fiscal reserves in the LTGP; and

(10) given that according to the Exchange Fund Ordinance (Cap. 66), the Exchange Fund is under the control of FS and in exercising such control, he is required to consult members of the Exchange Fund Advisory Committee who are appointed by the Chief Executive, how the authorities will resolve the differences in the event that members of that Committee, FS or the HKMA have diverse views on investments in B&R-related projects or joint-investment

projects; whether FS is authorised by the law to make the final decision?

Reply:

President,

The Exchange Fund (EF) started investing in private equity and real estate (commonly known as "alternative investments") under the Long-Term Growth Portfolio (LTGP) in 2009, with an aim to diversify its portfolio, spread investment risks associated with traditional assets (primarily bonds and equities), and enhance long-term return. To further diversify the asset classes, the EF has started to invest in infrastructure projects under the LTGP in recent years.

Infrastructure investments provide relatively stable cashflows with lower loss ratios. As infrastructure is an essential part of people's livelihood, returns on infrastructure investment are less affected by economic cycles and have lower correlation with those of traditional assets. The inclusion of infrastructure investments could enhance the portfolio's resilience to economic shocks and reduce volatility of the overall return. Owing to these considerations, many medium- and long-term institutional investors who seek to achieve stable long-term returns like the EF, such as sovereign wealth funds, pension funds and insurance companies, have increased their allocation to infrastructure investments in recent years.

To ensure the EF has sufficient liquidity for maintaining monetary and financial stability, investments under the LTGP were capped at one third of the Accumulated Surplus of the EF at its initial establishment. Subsequently, since part of the Future Fund's capital has been placed with the LTGP, the total amount of capital available for investment under the LTGP has increased accordingly. As at the end of 2017, the total market value of investments under the LTGP reached HK$235.6 billion, or about 5.9% of the total assets of the EF.

The EF observes the usual principle of prudence when investing in infrastructure projects. Appropriate risk management measures have been implemented having regard to the characteristics of individual projects in order to assess, mitigate and prevent potential risks. These measures include:

(a) Appropriate allocation: The EF's total infrastructure investments (including commitments) amount to about US$2.2 billion currently, accounting for only a small portion of the LTGP;

(b) Diversified portfolio: The EF seeks to build a diversified portfolio of infrastructure investments spanning across different regions, sectors, capital structures and partners to avoid undue concentration;

(c) Due diligence: Before committing to an investment, the EF must conduct rigorous due diligence to assess carefully its financial conditions, growth potential, exit mechanism, risks and other factors, to ensure the project is

commercially viable. Priority is accorded to jurisdictions with proper governance and environmental protection framework;

(d) Selection of partners: The EF seeks to partner with reputable and experienced institutional investors and asset managers to capitalise on their broad and deep expertise. The EF will also ensure that its partners are those with good integrity and governance standards, and are trustworthy long-term partners of the EF;

(e) External advisors: The EF engages external advisors to provide independent and professional opinions on tax, legal, regulatory and environmental issues;

(f) Stress testing: The EF conducts stress testing on the financial assumptions and models to ensure investments remain resilient even when confronted with unfavourable market conditions;

(g) Risk mitigation: The EF assesses if appropriate risk mitigation measures should be adopted for investment projects. At the negotiation stage of legal documentation, the EF will also secure the requisite governance rights in the projects, including their funding arrangements, operating budgets, investment and operation strategies, senior personnel appointments, as well as the right to participate in devising asset disposal plans;

(h) Reference check: The EF conducts reference checks with peer investors to understand and validate the capability of partners and viability of projects; and

(i) Post-investment monitoring: Post-investment monitoring is as important as pre-deal due diligence. The EF maintains regular contact with its partners and closely monitors the progress of projects to identify any potential issues at an early stage.

The Belt and Road covers more than 80 countries including many with strong demand for infrastructure investments. The EF is open to infrastructure investment opportunities along the Belt and Road. As regards investment partners, whilst the EF has yet to partner with any state-owned enterprises in any infrastructure investment, enterprises with sound track records in investing, building and operating overseas infrastructure projects could be potential partners of the EF. As explained above, when considering investment in infrastructure projects, the EF will focus on whether an individual project is commercially viable, its investment return reasonable and the associated risks well-managed. All projects, regardless of location or nature of business partnership, must go through rigorous, professional and objective due diligence processes and risk management mechanisms to be considered for investment.

Under the Exchange Fund Ordinance, the Financial Secretary (FS) will consult the Exchange Fund Advisory Committee (EFAC), of which he is the ex-officio chairman, in exercise of his control of the EF. Currently, the EFAC consists of 16 non-official members with knowledge and experience in the

financial and professional services sectors. They are appointed in their personal capacity to advise the FS on the investment policies and strategies of the EF.

LCQ10: Workmanship of private residential developments

Following is a question by the Hon Yung Hoi-yan and a written reply by the Secretary for Development, Mr Michael Wong, in the Legislative Council today (October 31):

Question:

It has been reported that workmanship problems are more commonly seen in the private residential buildings completed in recent years than before. Such problems include hollow floor tiling within flats, leakage in the drainage pipes on external walls of buildings and within flats and leakage around windows' opening within flats. I have also received complaints from a number of flat owners of private housing estates located in districts such as Ma On Shan and Tseung Kwan O, who pointed out that since their moving in, the remedial works necessitated by the poor workmanship had caused great distress to them. They were dissatisfied with the fact that they had spent their lifetime savings on acquiring their own homes and yet they were unable to live in peace. In this connection, will the Government inform this Council:

(1) whether it has assessed if the workmanship of newly completed private residential buildings has shown a worsening trend in recent years; if it has assessed, of the outcome and follow-up measures; if not, the reasons for that and whether it will conduct such an assessment;

(2) of the existing mechanisms and measures for regulating the workmanship of private residential developments (except those for building safety), as well as the scope of and the standards adopted for the regulatory work; when such mechanisms and measures were first introduced, as well as the date(s) on which they were last amended and the details thereof; whether it conducted in the past three years a comprehensive review to see if such mechanisms and measures were still relevant to the present circumstances; if it did, of the details and the outcome; if not, the reasons for that and whether it will conduct such a review expeditiously; and

(3) of the measures to improve the workmanship of private residential buildings, so as to better protect the rights and interests of minority property owners?

Reply:

President,

In consultation with the Transport and Housing Bureau, the Commerce and Economic Development Bureau and the Buildings Department (BD), the Development Bureau provides a consolidated reply to the three parts of the question as follows:

The Buildings Ordinance (Chapter 123) (BO) governs the planning, design and construction of buildings and the related works on private lands in order to ensure that they comply with safety and health standards. BD is responsible for the enforcement of the BO. According to the BO, upon completion of a development project, registered building professionals and registered contractors must submit a certification of works with an application of Occupation Permit to BD to certify that the concerned works are completed following the approved plans and complied with the provisions of BO and its allied regulations. The "rectification works" raised in the question generally involve workmanship problems for internal finishes works inside a flat. In general, workmanship problems for internal finishes works inside a flat, such as hollow floor tiling and leakage around window openings within flats fall outside the purview of the BO. For drains or sewers of any building that are inadequate or in a defective or insanitary condition, the Building Authority may, in accordance with the BO, by an order in writing served on the owner of such building require rectification within a time period specified in the order.

On the other hand, the Residential Properties (First-hand Sales) Ordinance (Chapter 621) (the Ordinance) came into full implementation on April 29, 2013. The Ordinance aims to enhance the transparency and fairness of the sales of first-hand residential properties, strengthen consumer protection, and provide a level playing field for vendors of first-hand residential properties. The Ordinance sets out detailed requirements in relation to sales brochures, price lists, sales arrangements, register of transactions, show flats, viewing of completed residential properties, advertisements, and the mandatory provisions for the Preliminary Agreement for Sale and Purchase and Agreement for Sale and Purchase (ASP) for the sales of first-hand residential properties.

The Ordinance requires ASP to incorporate mandatory provisions setting out that the vendor shall, at its own cost and as soon as reasonably practicable after receipt of a written notice served by the purchaser within six months after the date of completion of the sale and purchase, remedy any defects to the property, or the fittings, finishes or appliances as set out in the relevant clause of the ASP, caused otherwise than by the act or neglect of the purchaser. The provisions are without prejudice to any other rights or remedies that the purchaser may have at common law or otherwise.

Besides, the Consumer Council (the Council) provides consumption-related information to consumers and acts as a conciliator to help consumers and traders settle their disputes by way of conciliation. The Council disseminates consumer information through various channels in order to assist consumers in making smart consumption choices and enhance their understanding of their rights and responsibilities.

Lastly, the Government does not conduct any assessment in connection with the workmanship of internal finishes works for newly completed private residential developments in recent years.