

LCQ11: Water Safety Plan Subsidy Scheme

Following is a question by Professor the Hon Priscilla Leung and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (May 29):

Question:

The Government announced in the 2019 Policy Address the introduction of the Water Safety Plan Subsidy Scheme (WSPSS) aiming to encourage private property owners and management agents to implement the water safety plan for buildings (WSPB) at their premises in order to further safeguard drinking water safety in buildings in Hong Kong. A total of \$440 million has been allocated to the WSPSS for five years, and it is envisaged to benefit about 5 000 eligible buildings. The scope covered by the WSPSS includes water safety risk assessment on the internal plumbing system of the building, formulation of the WSPB, and the provision of subsidies for the necessary maintenance works and measures for controlling the risks as identified by the water safety risk assessment. In this connection, will the Government inform this Council:

- (1) of the number of buildings which have applied for joining the WSPSS and the amount of subsidies granted since the introduction of the WSPSS, together with a breakdown by District Council district and type of buildings;
- (2) how it assesses the water safety risks of the participating buildings under the WSPSS, and the effectiveness of the WSPSS in enhancing the level of drinking water safety in those buildings;
- (3) how it monitors whether the participating buildings under the WSPSS are in compliance with regular checking and maintenance for the internal plumbing system as required in the WSPB, as well as the relevant legislation and guidelines; and
- (4) whether it has reviewed the implementation of the WSPSS, and considered extending the term of the WSPSS or expanding its scale and scope to benefit more buildings; if so, of the details; if not, the reasons for that?

Reply:

President,

The Government has been committed to ensuring that the quality of drinking water supplied by the Water Supplies Department (WSD) complies with the Hong Kong Drinking Water Standards. Notwithstanding that the water supplied by the WSD is safe to drink, its quality could be affected when entering the inside service of a building due to various factors, such as

drinking water tanks not being properly cleansed, stagnation of water in the inside service, use of inappropriate plumbing materials, etc. Hence, since 2017, the WSD has been actively promoting the implementation of the water safety plan for buildings (WSPB) by property owners and management agents in their buildings in accordance with the recommendations of the World Health Organization (WHO) to safeguard drinking water safety. The WSPB provides a systematic and effective management framework for the inside service of a building, including conduction of risk assessments and implementation of corresponding control measures; regular surveillance, inspection and maintenance of the inside service, and regular audit and review of the WSPB.

In 2019, the Government earmarked \$440 million to launch the Water Safety Plan Subsidy Scheme (WSPSS) with the purpose of promoting the implementation of the WSPB in eligible private residential or composite (i.e. commercial and residential use) buildings by providing financial support. The WSPSS aims at providing subsidies to a maximum of about 5 000 eligible buildings within five years, and the amount of subsidy to be disbursed for each building is capped at \$310,000.

A reply to various parts of the question is as follows:

(1) As of May 20, 2024, the WSD has received a total of 760 applications, of which 713 applications involving 1 636 buildings are eligible. Up to now, the WSD has issued Approval-in-Principle (AIP) Letters to 410 eligible applications, involving 959 buildings. For the remaining 303 eligible applications, the WSD is requesting the applicants to provide supplementary information for assessment and approval. The progress of assessing and approving the eligible applications received is tabulated according to District Council districts as follows:

District	Eligible applications received		Type of eligible applications received		Applications receiving AIP Letter	
	no. of case	no. of building	no. of single building	no. of estate (no. of building)	no. of case	no. of building
Sha Tin	36	191	2	34 (189)	24	124
Yau Tsim Mong	125	155	115	10 (40)	73	81
Tuen Mun	35	142	12	23 (130)	23	85
Yuen Long	42	142	26	16 (116)	27	88
Kwun Tong	43	121	22	21 (99)	26	81
Tai Po	38	111	18	20 (93)	17	42
Sham Shui Po	66	104	57	9 (47)	36	61
North	17	92	1	16 (91)	11	66
Eastern	59	87	47	12 (40)	33	42
Kwai Tsing	28	83	15	13 (68)	20	64

Central and Western	71	77	66	5 (11)	40	45
Kowloon City	47	71	41	6 (30)	22	28
Tsuen Wan	21	65	13	8 (52)	9	41
Sai Kung	11	56	1	10 (55)	6	27
Wong Tai Sin	19	50	9	10 (41)	10	28
Wan Chai	39	43	36	3 (7)	22	24
Southern	11	33	4	7 (29)	6	19
Islands	5	13	2	3 (11)	5	13
Total	713	1 636	487	226 (1 149)	410	959

After receiving the AIP Letter, an applicant can apply to the WSD for disbursement of subsidies in stages according to the progress of completion of various major items under the WSPSS, such as completion of the formulation of the WSPB, completion of the recommended rectification works, etc. The WSD will release the subsidy to the applicant after verifying relevant supporting documents. According to our latest estimate, those applications with an AIP Letter issued will involve a total subsidy of about \$250 million.

(2) According to WHO's recommendations, the WSPB adopts a risk-based, multi-barrier approach and includes the conduction of risk assessments and implementation of appropriate control measures, thereby helping property owners and management agents to effectively manage the inside service of their buildings. Buildings participating in the WSPSS are required to engage qualified persons (QPs) who have completed the WSPB training to perform water safety risk assessments for the inside service of the buildings. Based on the risk assessment results, QPs will recommend water quality tests and/or rectification works for the inside service to eliminate relevant safety risks and potential hazards.

Generally speaking, buildings that have not implemented the WSPB lack awareness of the potential contamination risks of their inside service, and consequently fail to formulate corresponding control measures in a timely manner. As a result, remedial measures are often carried out only after the drinking water quality has been found deteriorated, which poses risks to the hygiene and health of their occupants. In view of this, the WSD actively encourages owners and management agents to implement the WSPB, including the implementation and monitoring of risk control measures recommended by QPs, and to conduct regular audits to ensure the effective implementation of the WSPB, thereby improving the overall level of water safety of their buildings. On the whole, property owners and management agents participated in the WSPSS have maintained a very positive attitude towards the scheme and expressed that the financial support from the Administration has strengthened their determination to implement the WSPB for their buildings.

(3) While registered consumers and agents are responsible for the proper maintenance of the inside service according to the Waterworks Ordinance (Cap.

102) so that the water supply in the building will be free from contamination, the implementation of the WSPB is entirely voluntary, under which the water safety risk assessment and follow-up actions focus on managing and controlling water safety risks. After issuing the AIP Letters, the WSD will conduct inspections at the buildings concerned from time to time to verify the formulation and implementation of the WSPB by the applicants. In addition, when applying for disbursement of subsidies at each stage, applicants are required to provide supporting documents and reports on regular inspection and maintenance of the inside service in accordance with the WSPB for verification by the WSD.

(4) Since the launch of the WSPSS in 2019, the Development Bureau and the WSD have been reviewing its implementation regularly. Owing to restrictions brought by the COVID-19 epidemic and the related social distancing measures, it is understood that at that time, many applicants were unable to convene owners' meetings in a timely manner to pass the resolution for participating in the WSPSS. As a result, the number of applications for the WSPSS by now has not met our expectation.

After the epidemic, the WSD has launched a number of publicity and promotion activities through different channels since September 2022 to encourage property owners and management agents to participate in the WSPSS and assist them in applying for relevant subsidies, with the hope that more eligible buildings will join the WSPSS. Relevant publicity and promotion activities include deploying dedicated teams to contact eligible buildings, mailing circular letters to relevant occupiers for publicity; attending up to 70 management committees' or owners' meetings, and visiting 6 000 eligible buildings. The number of applications for and participation in the WSPSS has increased gradually since 2023. Taking into account the fact that there remains unspent funding under the WSPSS and the scheme is still open for applications, we have no plan at this stage to expand the scale and scope of the WSPSS.

[Speech by FS at business luncheon in San Francisco \(English only\)](#)

Following is the speech by the Financial Secretary, Mr Paul Chan, at a business luncheon in San Francisco co-organised by the Hong Kong Economic and Trade Office in San Francisco (HKETO San Francisco) and the Bay Area Council on May 28 (San Francisco time):

Jacko (Director of HKETO San Francisco, Ms Jacko Tsang), Alex (Senior Director, Global Business Development of the Bay Area Council), distinguished guests, ladies and gentlemen,

Good afternoon. Thank you for giving me this wonderful opportunity to meet you. In fact, this is my second visit to San Francisco in just six months. This time, as alluded to by Jacko earlier on, we have a big delegation from the financial sector, the tech sector and the key government bureaux responsible for economic development to share with you the updates in Hong Kong and our collaboration opportunities. The purpose of our visit is to join the Bay-to-Bay Dialogue as well as the US-China High-Level Event on Subnational Climate Action.

If I may, I want to update you on the situation in Hong Kong, particularly for those of you who are new to this kind of events and less familiar with Hong Kong.

How does Hong Kong compare to San Francisco? I think there are a lot of commonalities and yet differences. Commonalities would enable us to learn from each other, advance ourselves and become even more competitive. When it comes to differences, they present a chance where we could connect and work together for mutually rewarding outcomes.

So, what are the commonalities? It seems to me that there are at least four key areas. Number one, we are both economic powerhouses exerting influence in an "outsized" manner. For example, the Greater Bay Area, comprising Hong Kong, Macao and nine cities in Guangdong Province, has a combined population of about 87 million. It is about six per cent of China's population. But our contribution to the national GDP (Gross Domestic Product) is about 12 per cent. Putting the GDP aside, there is also another important perspective: that is, this area is the technology and innovation hub of the country. According to the World Intellectual Property Organization, the Shenzhen-Hong Kong-Guangzhou technology cluster, for the past four years, ranked second globally in scientific and technological innovation. San Francisco is an innovation hub too, and similarly, there are quite a number of major tech giants in the GBA in China, Hong Kong included. The tech giants like Tencent and a few others are all in the Area.

Another commonality is higher education. Here in California, you have Stanford, Berkeley, and a few other renowned universities. In Hong Kong alone we have eight universities (funded by University Grants Committee), but five of them rank among the top 100. Our medical schools rank among the top 40.

The San Francisco Bay Area and the Greater Bay Area are magnets to talents. That is our competitive advantage. And also that will give us continuous impetus in innovation and economic development.

And what are the differences? Number one, population. The San Francisco Bay Area has more than 7 million people, while there are over 87 million in the Greater Bay Area in China. And in terms of geographic area, the GBA is huge.

And the difference in population would also mean that the market sizes are different. Good news for companies in the San Francisco Bay Area. If you want to launch your products or services in China and Asia, Hong Kong is

naturally your launching pad. Because from here you can springboard to other parts of the Mainland and Asia.

Another difference is that Hong Kong is also an international financial centre. To support technological development and innovation, money is very important.

In Hong Kong, we have vibrant venture capital and venture capital sectors. Funds managed by these sectors in Hong Kong is estimated to be in the order of about US\$220 billion. So it is quite huge. But apart from that, we have a very active stock market. The market capitalisation is about 11 times of our GDP, close to \$32 trillion. But more than that, in our stock exchange, we have two specialist chapters – 18A and 18C. One is for biotech companies without revenue stream or profit track record, but upon fulfilling certain criteria, they can get listed. Another chapter is for deep tech companies. Again, without track record, you can get listed in Hong Kong.

So the uniqueness of Hong Kong's IFC (international financial centre) also offers San Francisco start-ups and companies of different stages great opportunities. They can come to seek the money needed to support their business development on the Mainland or Asia, or even back home. So talk to us, talk to our Invest Hong Kong colleagues if you are interested.

And we put money to where our mouth is. The Hong Kong SAR (Special Administrative Region) Government has set up the Hong Kong Investment Corporation Limited (HKIC). If you come and bring along cutting-edge technologies, you may want to use Hong Kong as the base for exploring the Asian and Mainland markets. If necessary or useful, the HKIC could come in and co-invest with you. That is another important element in the new stage of development of Hong Kong.

Going forward, in terms of collaboration – if I may update you – IFC is our core competitive advantage. The second area, for which we have been focusing a lot of energy and resources in the past few years, is technology and innovation. And on that, I would like to update you that apart from the funding support, there have been a few other developments.

One is our initiative in attracting strategic enterprises to come to Hong Kong.

Since December 2022, we managed to attract around 50 such strategic enterprises partners. We call them "partners" because they don't just come by themselves, they bring along their supply chains. Altogether, these companies will, over the next few years, invest over HK\$40 billion. Invest Hong Kong, in the year 2023 alone, also attracted 380 companies. According to their business plan, they will be investing another HK\$60 billion.

Hong Kong remains very attractive for businesses seeking opportunities in our part of the world.

We are also welcoming talents from all over the world to come to Hong Kong to seek opportunities and employment. Say for example, we have a scheme

called the Top Talent Pass Scheme. Graduates from the global top 100 universities can come to Hong Kong without the need of securing a job offer beforehand. For this Top Talent Pass Scheme, there are over 180 universities eligible because there are different lists of rankings. Since we launched this scheme and updated other talent schemes, we had received over 290 000 applications and approved 180 000 of them. And among two-thirds, around 120 000 people, have already arrived in Hong Kong. And we have done some survey among these newcomers. They are young, with a median age at 35 and median income at about HK\$50,000 a month, many are in a young family.

So this tells how attractive Hong Kong is. Apart from strategic enterprises and talents, we are also working hard in terms of green development, green transition, and green tech. These are areas that present tremendous opportunities for San Francisco and Hong Kong to work together. In our Science Park and Cyberport, we have about 200 green tech start-up companies. We have also launched a lot of initiatives to support them, including through government procurement and co-investment. So for those of you who are interested in green development, and initiatives in reducing carbon emissions, please do come to work with us.

Ladies and gentlemen, these are some of the recent updates on Hong Kong. The "one country, two systems" arrangement is alive and working very well. So coming to Hong Kong, you will, on the one hand, enjoy convenient and sometimes even priority access to the Mainland market. At the same time, from there, your international character and facing will be maintained. Talent, capital, goods and data can move freely, and there is no exchange control. Hong Kong dollar continues to be pegged with the US dollar.

Beside work and career, in this city, the lifestyle is wonderful. If I may show you a short video that tells it all.

This is Hong Kong: open, free and welcoming, full of vitality, energy and opportunities. Do come to visit us and work with us.

Now I stand ready to answer any questions that you may have. Thank you.

Bogus emails, advertisement and phone calls purportedly associated with HKMA

The following is issued on behalf of the Hong Kong Monetary Authority:

The Hong Kong Monetary Authority (HKMA) has recently received public enquiries regarding emails, advertisement and phone calls claiming to be associated with the HKMA. They include:

1. A fraudster posing as an HKMA staff claimed to be able to assist in the recovery of losses from fraud;
2. A member of the public received a notification, forwarded by a fraudulent bank email, claiming that his/her fund transfer was intercepted. The notification was purportedly sent from the public enquiry service of the HKMA;
3. A bogus HKMA advertisement was disseminated on social media, claiming that the Hong Kong Special Administrative Region Government and various financial institutions can offer interest-free emergency loans; and
4. A fraudster impersonating customer service staff of an instant messaging application called a member of the public, claiming that he/she had activated an insurance service, and the call could be referred to the relevant financial institution if he/she wanted to cancel the "service". The call was eventually transferred to a fraudster posing as an employee of the HKMA, who requested a fee in order to cancel the "service".

The HKMA wishes to reiterate that we will not contact individual members of the public regarding personal financial matters. Members of the public are advised to pay attention to information about fraudulent websites, phishing e-mails or similar scams disseminated by banks. Relevant press releases issued by banks are also available on the [HKMA website](#).

The HKMA has reported the cases to the Hong Kong Police Force. Members of the public who suspect that they have become victims of fraudulent acts should contact the Commercial and Technology Crime Hotline of the Hong Kong Police Force at 2860 5012 or make a report via the [e-Report Centre](#) for further action and investigation by the police.

[LCQ7: Handling water seepage reports](#)

Following is a question by the Hon Chan Han-pan and a written reply by the Secretary for Development, Ms Bernadette Linn, in the Legislative Council today (May 29):

Question:

The Office of The Ombudsman, Hong Kong (OTO) announced a direct investigation report on Effectiveness of the Joint Office (JO) for Investigation of Water Seepage Complaints in Handling Water Seepage Reports in December 2020, and made a series of recommendations. In this connection, will the Government inform this Council:

(1) of the improvement measures implemented by the JO in response to the OTO's recommendations and how these measures enhance the efficiency and effectiveness of handling reports on water seepage in buildings (set out in a table); whether it has considered accepting the OTO's recommendation to

establish a "case manager" system to facilitate the JO's close monitoring of case progress;

(2) of the number of consultants engaged by the JO whose performance was assessed by the authorities to be adverse in each of the past three years, and their proportion in the total number of consultants, and set out in a table the details of the substandard cases concerned; whether the authorities will consider increasing the penalties for consultants with adverse performance and, at the same time, introducing a bonus system to provide incentives for consultants who are able to complete the handling of cases satisfactorily within deadlines, in order to boost their determination and efficiency in handling cases;

(3) whether it will consider expanding the JO's powers (including conferring mediation and arbitration powers on the JO) and composition, and appointing a government department to act as the lead department, or requiring the Water Supplies Department to undertake interdepartmental work in conjunction with the Task Force on District Governance to deal with water seepage, with a view to enhancing the effectiveness of handling water seepage reports; and

(4) given that at present, the authorities can only issue a Nuisance Notice or Nuisance Order under the Public Health and Municipal Services Ordinance (Cap. 132) to the person causing a sanitary nuisance after the source of the water seepage causing the sanitary nuisance has been identified, whether the authorities will consider empowering the JO to handle all water seepage cases (including non-sewage seepage and condensation water caused by the operation of chilling facilities) by including all water seepage cases as nuisances which may be dealt with summarily, and imposing a fixed penalty on the persons concerned?

Reply:

President,

Proper management, maintenance and repair of buildings, including resolving inter-floor water seepage problems, are the responsibilities of owners. If water seepage occurs in private buildings, the owners concerned may co-operate among themselves to engage professionals/consultants for carrying out investigation to identify the source of seepage and conducting necessary repair works to resolve the water seepage problems. Consultants or professionals are also available in the market to provide water seepage investigation and resolution services. A list of consultancy firms and experts providing professional advice on water seepage problems has also been uploaded onto the websites of the Food and Environmental Hygiene Department (FEHD) and the Buildings Department (BD) for public reference.

Nevertheless, the Government recognises that owners often encounter difficulties in tackling water seepage problems in buildings, and therefore has set up the Joint Office (JO) formed by the FEHD and the BD. Through inter-departmental co-operation, the JO seeks to identify the source of water seepage using one-stop and systematic testing methods and require the owners concerned to carry out repair works by exercising the powers conferred by the

law, leveraging the expertise of relevant departments and with co-operation of the owners or occupants concerned. When the water seepage condition concerned has caused health nuisance, the FEHD will follow up in accordance with the Public Health and Municipal Services Ordinance (Chapter 132) (PHMSO) and take criminal prosecution action as appropriate. If there is risk to structural safety of the building or water waste due to defective water supply pipe, the JO will refer the case to the BD or the Water Supplies Department (WSD) who will intervene and handle the case in accordance with the Buildings Ordinance (Chapter 123) (BO) or the Waterworks Ordinance (Chapter 102) (WO) respectively (for example, the BD will issue repair order).

Having consulted the Environment and Ecology Bureau (EEB) and the FEHD, the replies to the various parts of the question are as follows:

(1) In view of the recommendations put forward in the Direct Investigation Report by the Office of The Ombudsman (the Ombudsman) in 2020, the JO has implemented a series of improvement measures to enhance the efficiency and effectiveness in handling reports on water seepage in buildings. The main improvement measures include setting up four regional JOs to facilitate communication between the staff of the FEHD and the BD in the JO and enhance operational efficiency, so that staff of the FEHD and the BD can meet directly to discuss complex cases; enhancing the Water Seepage Complaint Management System (WSCMS) for more effective monitoring of follow-up actions and progress of water seepage cases; streamlining work procedures by reducing the number of visits before applying for a warrant to enter premises and standardising the documents for applying for a warrant; stepping up monitoring of consultants' work performance; setting up customer service team to enhance public understanding of water seepage matters; and the wider use of new testing technologies by expanding from three pilot districts in 2018 to 14 pilot districts in late 2023 to improve the success rate of identifying the source of water seepage, etc. The recommendations made by the Ombudsman, the JO's follow-up actions and improvement measures implemented are tabulated in the Annex.

To further enhance the efficiency, effectiveness and deterrent effect of the Government's efforts on various environmental hygiene problems (including water seepage in buildings), the EEB is conducting a review of the legislative amendments to the PHMSO. The review includes, among other things, proposals to lengthen the time for entry into the premises concerned for investigation and to make it an offence for non-compliance with the Notice of Intended Entry issued by government officers. This will enable government officers to gain early access to units suspected of causing water seepage in buildings or other public health nuisance for investigation.

Please refer to the reply in Part (3) below for the proposed establishment of "case managers".

(2) In addition to implementing a series of measures to strengthen the monitoring of consultants (see recommendation (6) at Annex), to further step up monitoring of consultants' performance, the JO has formulated more stringent assessment standards for the quarterly performance reports of

consultants in June 2023 (e.g. if consultants fail to submit case reports on time by a certain percentage, the JO will issue reminders, pre-warning letters or warning letters depending on the severity of the case). Moreover, the data on consultants' work progress generated from the WSCMS have been enhanced so that the JO can more effectively and timely step up random audit checks on consultants with unsatisfactory performance, as well as issue reminders, pre-warning letters, warning letters and adverse performance reports (Note 1) requiring rectification and improvement of performance. A consultant who has been issued with more than one consecutive adverse performance report under the same contract will be temporarily suspended from bidding for new contracts for a period of three months to one year.

The numbers of consultants issued with pre-warning letters/warning letters in the past three years and more are tabulated below:

Year	Number of consultants issued with pre-warning letters/warning letters (Note 2)	Proportion against total number of consultants
2021	4	36 per cent
2022	4	36 per cent
2023	3	25 per cent
2024 (as at end of May)	5	42 per cent

As the consultants have improved their performance according to the warnings upon the issuance of pre-warning letters/warning letters by the JO, it was not necessary to issue adverse performance reports to the consultants in the above-mentioned period.

We consider that the above system, which has been introduced since June last year, will enhance the monitoring of consultants' performance. In addition, as the progress of water seepage investigation hinges on various factors, including the complexity of the case, e.g. seepage involving multiple sources, recurring or intermittent seepage warranting multiple tests; and whether owners or occupiers are co-operative. As the factors concerned are not all within the control of the consultants, it may not be fair to have a bonus system that only looks at whether a case can be completed within the specified timeframe. As such, the JO has no plan to introduce a bonus system.

(3) Under the existing structure of the JO, with staff of the FEHD empowered under the PHMSO to deal with public health nuisances and staff of the BD with expertise in building surveying, there is synergy between the two departments in handling water seepage cases of varying complexity and circumstances by leveraging on the expertise and experience of the staff of the two departments. Given the different expertise and roles of the two departments, designating an officer of one of the departments as "case manager" or appointing one of the departments as leading department may not be as effective for the handling of water seepage investigation and the relevant

enforcement work.

In addition, to expedite the handling of water seepage issues, the JO collaborated with the WSD to introduce the "Early Intervention" mechanism in March 2021. If the case involves continuous dripping at 20 or more drops per minute or visible leakage of water supply pipes during investigation, the JO will refer the case to WSD for follow-up actions in parallel. The WSD will study whether the case involve water wastage due to leakage in the water supply system. If confirmed, the WSD will issue repair notices to the registered consumers concerned in accordance with the WO and required them to repair the defective pipes within a specified time limit. If the registered customer fails to comply with the requirements of repair notice and complete the repair, the WSD will arrange to disconnect the water supply.

At present, claims not exceeding \$75,000 lodged as a result of water seepage in buildings will be handled to the Small Claims Tribunal. In addition, the Lands Tribunal also hears disputes involving building management (including water seepage). The Lands Tribunal has also established the Office of the Building Management Mediation Co-ordinator's Office (BMMCO) to streamline the processing of building management cases (including water seepage cases) and to encourage parties to make attempts to resolve their differences through mediation, so that such cases may be settled in an expeditious and efficient manner.

The main functions of the JO are to investigate the source of water seepage, require owners to carry out repairs and institute prosecutions as appropriate. There may be a conflict of roles and functions for the JO, which is responsible for investigation and prosecution, to concurrently mediate water seepage disputes for owners, as the mediator must not have any pre-determined stance, and be impartial and unbiased, with the objective of promoting mutual understanding and joint efforts of the parties in dispute to resolve the disputes. Considering that the BMMCO of the Lands Tribunal is already able to provide mediation services to both parties in water seepage disputes, we do not consider it appropriate or necessary to expand the power of the JO to include mediation. To facilitate members of the public to resolve water seepage disputes through non-litigation means such as mediation, negotiation and notarisation, the JO is exploring the feasibility of providing free copies of water seepage investigation reports to the parties concerned (including the complainant and the complaine) for reference.

(4) There is an established mechanism in place for handling other water seepage problems identified by the JO during investigation (e.g. exposed drains, defective water supply pipes or water seepage from rooftops and external walls). If condensation is involved, the FEHD will deploy staff to investigate whether the problem constitutes a public health nuisance. If condensation is caused by a licensed cold store, the FEHD will study whether new licensing conditions can be added for the licensed cold store concerned subject to the actual circumstance.

In addition, the Government's fixed penalty mechanism for environmental hygiene penalties is designed to deal with environmental hygiene cases that

are straightforward, clear and easy to establish. The problem of water seepage involves detailed investigation to ascertain the responsibility problem. The present way for the JO to issue Nuisance Notices and apply for Nuisance Orders from the Court as necessary is considered a more appropriate way to handle water seepage.

Note 1: If the consultant fails to submit the report on time or fails to comply with the requirements of the testing procedures, etc, to a certain extent, depending on the situations, the JO will issue reminders, pre-warning letters or warning letters. The JO will consider issuing an adverse performance report if the consultant continues to fail to improve after two warning letters issued by the government. If the consultant has received two or more consecutive adverse performance reports, the consultant will be temporarily suspended from bidding for new work contracts.

Note 2: According to records, the unsatisfactory performance of the consultants included poor overall progress/arrangement in the investigation of water seepage cases, substandard investigation reports and unsatisfactory performance of the staff of the consultants, etc.

[Hong Kong Customs detects case of non-registered precious metals and stones dealer carrying out specified transactions](#)

â€‹Hong Kong Customs yesterday (May 28) detected a case which involved a local company that conducted diamond transactions with total value of each transaction exceeding HK\$120,000 without a registration under the Dealers in Precious Metals and Stones Regulatory Regime. Two persons suspected to be connected with the case were arrested.

An investigation is ongoing. The two persons have been released on bail pending further investigation.

According to the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615), the Regime came into effect on April 1, 2023. Any person who is seeking to carry on a business of dealing in precious metals and stones in Hong Kong and engage in any transaction(s) (whether making or receiving a payment) with a total value at or above HK\$120,000 in Hong Kong is required to register with the Commissioner of Customs and Excise. Any dealer, other than a registrant, claims to be a registrant, claims to be authorised to carry out, or carries out any cash or non-cash transaction(s) with total a value at or above HK\$120,000 is liable on conviction to a maximum fine of HK\$100,000 and imprisonment for six months.

Hong Kong Customs reminds all dealers in precious metals and stones that the transitional period for registration under the Regime has ended. Any dealer who submits their applications for registration from January 1, 2024, onwards must successfully obtain the relevant registration before they can carry out any cash or non-cash transaction(s) with a total value at or above \$120,000.

For the forms, procedures and guidelines to submit applications for registration, please visit the website for Dealers in Precious Metals and Stones Registration System (www.drs.customs.gov.hk) or Hong Kong Customs' webpage (www.customs.gov.hk/en/service-enforcement-information/anti-money-laundering/supervision-of-dealers-in-precious-metals-and-ston/index.html).

Members of the public may report any suspected transactions involving precious metals and stones with a total value at or above HK\$120,000 conducted without the required registration to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk) or online form (eform.cefs.gov.hk/form/ced002).