

Communications Authority press release

The following is issued on behalf of the Communication Authority:

This press release summarises the decisions of the Communications Authority (CA) following its 89th meeting held in September 2019:

CA announces its findings and decision following its review of regulatory issues relating to changes in the shareholding structure of Television Broadcasts Limited in 2015 and 2016

Pursuant to a referral made by the Securities and Futures Commission in May 2017, the CA conducted a review of the regulatory issues relating to the two applications submitted by Television Broadcasts Limited (TVB) in 2015 and 2016 respectively for changes in its shareholding structure (collectively referred to as the "2015 and 2016 Applications"). The review was completed and details of the CA's major findings and decisions are at Annex (www.coms-auth.hk/filemanager/en/content_713/annex_20190927.pdf).

Based on a review of the Shareholders' Agreement and the Relationship Agreement in relation to Young Lion Holdings Limited, a company which indirectly held 26 per cent of the voting shares of TVB, the CA concluded that there was insufficient evidence suggesting that TVB had contravened the "disqualified person" or the "unqualified voting controller" provisions of the Broadcasting Ordinance (BO). To ensure that the person exercising control of TVB complied and will continue to comply with the relevant provisions of the BO, the CA requested the relevant parties to provide the CA with statutory declarations and deeds of undertaking. With these actions taken, the CA revoked the approvals previously granted to TVB for the 2015 and 2016 Applications, but approved at the same time a new application covering the changes in shareholding structure of TVB in 2015 and 2016.

Breach of licence condition by Auspicious Colour Limited

The CA decided that Auspicious Colour Limited (AC), being a "non-domestic television programme service" (non-domestic TV) licensee, had breached Condition 10.1 of its non-domestic TV licence by failing to seek the requisite approval of the CA before implementing two separate changes to its shareholding and ownership structure during the periods from June 29, 2015, to May 26, 2019, and from March 18, 2016, to May 26, 2019. Taking into account AC's representations as well as the nature, duration and severity of the breach, the CA decided that AC should be strongly advised to observe the relevant licence condition more closely.

Non-compliance with reporting requirement on changes of directors by Hongkong International Theme Parks Limited

The CA decided that Hongkong International Theme Parks Limited (HKITP), an "other licensable television programme service" licensee, had breached section 39(3) of the Broadcasting Ordinance (Cap. 562) by failing to report to the CA changes of its directors within seven days of the changes. The reports on the changes of directors were late by 12 days to 530 days. Taking into account HKITP's representations as well as the nature, duration and severity of the breach, the CA decided that HKITP should be advised to observe the relevant provision more closely.

Non-compliance with reporting requirement on changes of addresses of registered offices by Fox Networks Group Asia Pacific Limited and Hong Kong TV International Media Group Limited

The CA decided that Fox Networks Group Asia Pacific Limited (FNGAP) and Hong Kong TV International Media Group Limited (HKTVM), both being non-domestic TV licensees, had breached Condition 7 of their non-domestic TV licences by failing to promptly notify the CA of the changes of the addresses of their registered offices. FNGAP and HKTVM reported the changes of addresses of their registered offices to the CA about eight years and seven months and seven years and six months after the respective changes. Taking into account the licensees' representations as well as the nature, duration and severity of the breaches, the CA decided that FNGAP and HKTVM should be strongly advised to observe the relevant provision more closely.

Broadcast complaints

Since mid-June this year, the CA has received some 15 000 public complaints against various programmes of different broadcasters concerning the recent protests/incidents arising from the then proposed amendments to the Fugitive Offenders Ordinance. The CA is processing the complaints and will provide updates through its website in due course.