

Hong Kong Customs mounts arrest operation regarding business suspension of beauty group

Regarding the incident in which three beauty parlours under a beauty group suddenly announced on September 1 that they were suspending operations, Hong Kong Customs today (October 12) arrested a director of the beauty group suspected of engaging in wrongly accepting payment, in contravention of the Trade Descriptions Ordinance (TDO).

Customs has been paying close attention to the incident and called on members of the public affected by the incident to provide information. An investigation would commence once a complaint was received. As of 10am today, Customs had received a total of 667 complaints regarding the beauty group, involving 593 complainants and beauty contracts amounting to about \$30 million.

After investigation, it was revealed that the beauty parlours of the beauty group were in rent arrears and one of the tenancies had already expired. However, they still accepted payments for prepaid beauty services under a situation in which the beauty parlours could not feasibly operate. Customs officers therefore arrested a 63-year-old male director of the group today.

An investigation is ongoing. The arrested male director has been released on bail pending further investigation, and further arrests are not ruled out.

Customs reminds traders to comply with the requirements of the TDO. Consumers are also reminded to procure services at reputable shops and think prudently before making decisions for consumption with prepayment.

Under the TDO, any trader commits an offence if at the time of acceptance of payment, the trader intends not to supply the product or intends to supply a materially different product, or there are no reasonable grounds for believing that the trader will be able to supply the product within a specified or reasonable period. The maximum penalty upon conviction is a fine of \$500,000 and imprisonment for five years. The management staff will also be liable if the offence is committed with their consent or connivance or is attributed to their neglect.

Members of the public may report any suspected violations of the TDO to Customs' 24-hour hotline 2545 6182 or its dedicated crime-reporting email account (crimereport@customs.gov.hk).