

LCQ15: Regulating the sale of pain treatment services

Following is a question by the Hon Elizabeth Quat and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (January 10):

Question:

It has been reported that recently, some pain treatment centres have been suspected of engaging in frauds and unfair trade practices when promoting pain treatment services to the public, including (i) failing to provide the complete contract and explain the contract provisions to the customers in the course of trade promotion, and instead just providing a simple copy of the contract that does not even state the correct company name only after payment made by the customers; (ii) changing the company name after receipt of a certain number of complaints; and (iii) applying for payment services from non-bank "buy now, pay later" (BNPL) platforms on behalf of the customers without their knowledge. In this connection, will the Government inform this Council:

(1) of the number of complaints involving unfair trade practices in the past three years and, among them, the number of those involving the promotion of pain treatment services;

(2) regarding the aforesaid pain treatment centres which failed to provide the complete contract or just provided a simple copy of the contract, and which did not receive payment through companies with business registration, what measures the Government has put in place to crack down on such unfair trade practices, so as to protect the rights and interests of consumers;

(3) as it is learnt that the therapists in some pain treatment centres are not licensed healthcare professionals and hence, posing potential health hazards to their customers, whether the Government will introduce measures to strengthen regulation of such type of companies providing pain treatment services;

(4) in the light of the aforesaid cases involving pain treatment centres allegedly engaging in unfair trade practices via BNPL platforms, whether the Government will review the regulatory regime of BNPL platforms and strengthen regulation in this regard, as well as draw up a standard contract for BNPL payment method; if so, of the details; if not, the reasons for that; and

(5) of the measures in place to enhance public understanding of the Trade Descriptions Ordinance (Cap. 362) and the details to look out for when entering into prepaid services contracts, with a view to raising public awareness of the need to guard against the aforesaid unfair trade practices?

Reply:

President,

Having consulted the Security Bureau, the Health Bureau and the Financial Services and the Treasury Bureau (FSTB), our reply to the various parts of the question is as follows:

(1) Currently, various laws in Hong Kong protect consumers' rights and interests. Among others, the Trade Descriptions Ordinance (Cap. 362) (the Ordinance) covers goods and services, prohibiting traders from subjecting consumers to certain unfair trade practices, including false trade descriptions, misleading omissions, aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payment. The Ordinance is applicable to the trade practices of both physical and online traders.

The numbers of complaints received by the Customs and Excise Department (C&ED) during the period from 2021 to the end of November 2023, categorised by the unfair trade practices prohibited under the Ordinance (the number in brackets is the number of complaints involving the promotion of pain treatment services under a certain category), are set out in the table below:

Category (Note 1)	2021	2022	2023 (until the end of November)
False trade descriptions	5 008 (8)	4 667 (9)	5 168 (39)
Misleading omissions	292 (2)	177 (1)	594 (2)
Aggressive commercial practices	189 (1)	119 (4)	138 (5)
Bait advertising	14 (1)	5 (0)	7 (0)
Bait-and-switch	12 (0)	2 (0)	4 (0)
Wrongly accepting payment	1 483 (0)	1 103 (0)	12 484 (Note 2) (3)

(2) As regards reports from members of the public stating that a chain pain treatment centre is engaging in unfair trade practices to sell prepaid treatments and is suspected of contravening the Ordinance, the C&ED officers conducted an investigation at the outlets of the pain treatment centre concerned on December 21 2023, including interviewing its responsible persons and staff and taking away some documents related to the purchase of treatments and the information of relevant staff from the outlets for further investigation. If the investigation reveals any breach of the Ordinance, the C&ED will take decisive enforcement action.

Meanwhile, if a case is found to have fraudulent elements, the Police

will follow up in accordance with the established procedures.

(3) At present, 13 healthcare professions are required to undergo statutory registration in order to practise their professions in Hong Kong (Note 3). Existing laws prohibit practice without registration, as well as the unlawful use of titles of registered healthcare professions. The professional conducts of registered healthcare professions are regulated by their statutory boards and councils. Individual citizens may lodge a complaint against individual healthcare professionals in relation to their professional conducts with the respective boards and councils. The complaints will be dealt with independently.

To prevent the public from seeking improper management of certain conditions and protect public health, the Undesirable Medical Advertisements Ordinance (UMAO) (Cap. 231) prohibits or restricts the publication of advertisements that will likely lead to the use of any medicine, surgical appliance or treatment for the purpose of treating individuals or preventing them from contracting diseases or conditions specified in Schedules one and two to the UMAO. The Department of Health has put in place an established mechanism for screening advertisements. Appropriate actions will be taken in accordance with the law against any contravention of the UMAO. Furthermore, any premises providing treatment of pain that involves the practice of registered medical practitioners and/or registered dentists falls under the regulatory regime of the Private Healthcare Facilities Ordinance (Cap. 633) and should comply with the relevant licensing requirements. Pursuant to section 10 of the Private Healthcare Facilities Ordinance, a person must not operate a day procedure centre without a licence. Contravention of the requirement will lead to a fine at level six (\$100,000) and imprisonment for three years. Section 92 of the Private Healthcare Facilities Ordinance, upon commencement, will also prohibit any premises not provided or permitted by law from using the titles and descriptions that suggest the services provided therein are medical services provided in a private healthcare facility.

There are various causes for pain, which may be a symptom for serious illnesses. The Government reminds citizens to consult the views of registered healthcare professionals to avoid delay in diagnosis and treatment.

(4) At present, certain regulatory measures have been put in place targeting "Buy Now Pay Later" (BNPL) services in Hong Kong. Specifically, BNPL services provided by banks are subject to regulation concerning personal credit products and guidance on BNPL services promulgated by the Hong Kong Monetary Authority.

As for BNPL services provided by other non-bank entities, according to the Money Lenders Ordinance (Cap. 163), any person carrying out money lending business in Hong Kong must obtain a money lenders licence and comply with the licensing conditions. If the businesses of the non-bank platforms concerned do not involve provision of loans to users, they are not required to apply for a licence from the Government or regulatory authorities under the current financial system. At present, there is one non-bank BNPL platform in the market holding a money lenders licence.

The Companies Registry (CR) issued a letter to the non-bank BNPL platforms to remind them of the need to apply for a money lenders licence from the CR if their businesses involve provision of loans to users. If any operator conducts money lending business without a licence, the CR would actively follow up and refer the case to the Police for taking stringent enforcement actions to combat malpractices. In addition, the FSTB will enhance collaboration and intelligence exchange with the Consumer Council (Council) to further protect consumers' rights and interests. The FSTB will also continue to promote the importance of prudent financial management through public education activities.

(5) As the principal enforcement agency of the Ordinance, the C&ED adopts a three-pronged approach, which covers enforcement actions, compliance promotion and publicity and public education, to combat unfair trade practices proactively.

On enforcement actions, the C&ED is given the authority to conduct criminal investigations into and prosecutions on unfair trade practices. During the period from 2020 to the end of November 2023, the C&ED completed the investigation of 491 cases and completed 288 prosecution cases, among which 261 cases were convicted, representing a successful prosecution rate of over 90 per cent and covering different industries. The court imposed imprisonment in 79 cases, with 41 persons sentenced to imprisonment. One of the cases concerned the staff of a fitness centre having engaged in aggressive commercial practices in the course of selling fitness service contracts, with one of the staff concerned sentenced to imprisonment of 27 months, which is the heaviest prison sentence since the Ordinance came into operation. In addition, the court also imposed fines in 157 cases, with the amount ranging from \$500 to \$160,000. The sentences imposed by the court are able to cause deterrent effects on unscrupulous traders.

On compliance promotion, during the period from 2020 to the end of November 2023, the C&ED held a total of 83 outreach talks, seminars and meetings for various sectors to strengthen their understanding of the legal requirements under the Ordinance and the measures that should be taken for complying with the Ordinance.

On publicity and public education, the C&ED also carries out relevant work proactively, including sending personnel to conduct patrols and distribute promotional leaflets at tourism and shopping hotspots during festive seasons as well as publishing tips on "smart consumption" and promotional videos on its official social media platforms (including its Douyin and WeChat accounts), with a view to strengthening consumers' understanding of unfair trade practices and promoting the concept of "smart consumption". As regards pre-paid mode of consumption, the C&ED also from time to time reminds consumers to procure services at reputable shops and think prudently before making decisions for consumption involving prepayment. Consumers are also reminded to, after purchasing services, keep the transaction receipts and related records, which can serve as basic information in case a complaint has to be lodged in future.

In addition, the Council endeavours to study and promote the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including receiving and examining consumers' complaints concerning goods and services and giving advice to them. The Council has also been providing consumer alerts and suggestions related to pre-paid mode of consumption through various channels. For example, the CHOICE Magazine published by the Council has featured articles on pre-paid mode of consumption to remind consumers to pay attention to the terms and conditions such as those concerning the arrangements for returning goods and refund protection. The Council has also, through interviews with newspapers, radio and TV stations, reminded consumers of the situations to be aware of in case of consumption disputes.

Note 1: The categorisation is by the unfair trade practices prohibited under the Ordinance.

Note 2: Among which, 11 546 complaints were against the same online shop.

Note 3: These 13 healthcare professions are doctors, dentists, nurses, Chinese medicine practitioners, physiotherapists, occupational therapists, medical laboratory technologists, optometrists, radiographers, chiropractors, dental hygienists, midwives and pharmacists.

CS concludes visit to GBA Mainland cities in Shenzhen (with photos)

The Chief Secretary for Administration, Mr Chan Kwok-ki, today (January 10) visited Shenzhen and concluded his three-day visit to Mainland cities of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA).

In the morning, Mr Chan visited the Vocational and Professional Education Services (Shenzhen) Company Limited (VPES), which is the first Mainland operation centre of the Hong Kong Vocational Training Council (VTC), to receive a briefing on its operation by the Chairman of the VTC, Mr Tony Tai, and the Executive Director of the VTC, Mr Donald Tong. He also talked with students of the VTC and those of Shenzhen Polytechnic University to learn about their joint scientific research projects, and exchanged views on strengthening Hong Kong-Shenzhen co-operation in vocational and professional education and training (VPET).

Mr Chan was pleased to learn that the VPES, since its formal opening last year, has been operating smoothly. As a VPET exchange platform, it has been fostering the VTC's co-operation with education institutions, enterprises and organisations on the Mainland in areas including programme

exchanges, field studies and workplace attachments. It seeks to help more Hong Kong young people understand the country's development; and enable Mainland young people to learn about the VPET scene as well as different progression pathways in Hong Kong. Such pathways include staying in Hong Kong for one year after graduating from the VTC's designated full-time professional Higher Diploma programmes to seek jobs relevant to their disciplines under the Vocational Professionals Admission Scheme announced in the Policy Address last year.

Thereafter, Mr Chan met with the Secretary of the CPC Shenzhen Municipal Committee, Mr Meng Fanli, and the Mayor of the Shenzhen Municipal People's Government, Mr Qin Weizhong, to discuss issues of mutual concern as well as the strengthening of exchanges and co-operation on various fronts. Mr Chan said that, since the Hong Kong/Shenzhen Co-operation Meeting was successfully held in Hong Kong in February 2023, the relevant government departments of Hong Kong and Shenzhen have been making good use of the co-operation mechanism to deepen exchanges and co-operation in an array of areas, including finance, business and trade, innovation and technology, culture, tourism, education and youth development.

Mr Chan added that Hong Kong and Shenzhen have been expediting, under the Development Plan for Shenzhen Park of Hetao Shenzhen-Hong Kong Science and Technology Innovation Co-operation Zone released by the Central Government in August 2023, the development of the co-operation zone; and that both places will fully leverage their "dual engine" roles to drive Qianhai development in the GBA further to the Overall Development Plan for the Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone released by the Central Government in December 2023. At the same time, the Government of the Hong Kong Special Administrative Region (HKSAR) will steadfastly implement the Northern Metropolis Action Agenda published in October 2023, with a view to achieving deeper integration with the planning of Shenzhen and other GBA cities as well as better integration of Hong Kong into the national development.

Mr Chan said that Hong Kong will continue to fully capitalise on its distinctive advantages of enjoying strong support from the motherland and being closely connected to the world under the "one country, two systems" principle. He looked forward to Hong Kong and Shenzhen's continued pursuit of deeper and higher-level exchanges and co-operation in more areas under the principles of complementarity and mutual benefits to foster the high-quality development of the GBA.

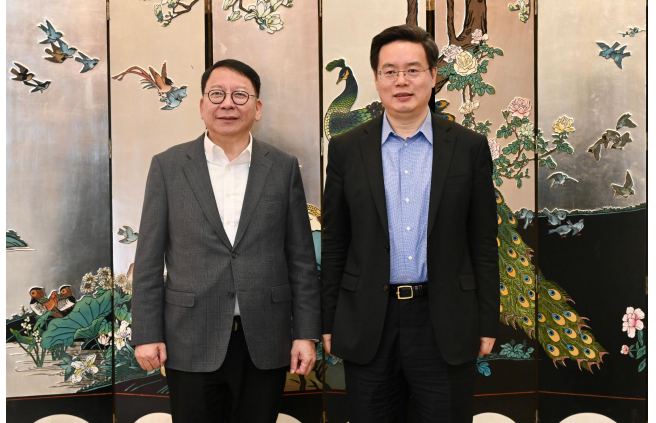
Before returning to Hong Kong this afternoon, Mr Chan visited The University of Hong Kong-Shenzhen Hospital (HKU-SZH) and conversed with the Party Secretary and Director General of the Shenzhen Municipal Health Commission, Ms Wu Hongyan; the HKU-SZH Chief Executive, Professor Kenneth Cheung; and the hospital's medical staff. He was pleased to learn that the HKU-SZH has developed rapidly in just over 10 years since its establishment. It has made a number of achievements, including attaining the status of a Grade 3A General Hospital, a High-level Hospital of Guangdong Province, and a pilot hospital for the high-quality development of public hospitals of the

National Health Commission.

Mr Chan was also pleased to learn that the HKU-SZH has been working hand in hand with the HKSAR Government to take forward initiatives such as health care vouchers and the Pilot Scheme for Supporting Patients of the Hospital Authority in the GBA, so as to enhance medical services for Hong Kong people living on the Mainland. He looked forward to the two cities continuing to steadfastly implement the Framework Agreement on Medical Collaboration between Shenzhen and Hong Kong signed in September 2023, so as to facilitate the flow of talent, drugs, medical devices and healthcare services, and underpin the important national strategy of "Healthy China".

Concluding the three-day visit to GBA Mainland cities, Mr Chan said that upon the fifth anniversary of the promulgation of the Outline Development Plan for the GBA this year, he has every confidence in the governments of Guangdong Province, the HKSAR and other GBA cities forging ahead by jointly expediting the co-ordinated and integrated development of education, technology and talent in the GBA, so as to inject new impetus into and make new contributions to the high-quality development of the GBA and the country at large.



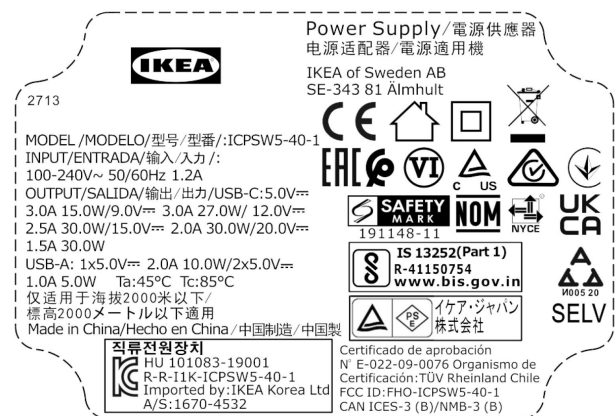


EMSD urges public to stop using model of IKEA ÅSKSTORM 40W USB charger (with photos)

The Electrical and Mechanical Services Department (EMSD) today (January 10) urged the public to stop using a model of IKEA ÅSKSTORM 40W USB charger (model number: ICPSW5-40-1) and contact the product supplier, IKEA Hong Kong, for product return and refund.

According to the supplier, damaged cable of the USB charger may lead to thermal burn and electric shock. The supplier has therefore decided to arrange a recall with full refund of this product.

For enquiries, please call IKEA Hong Kong's customer service hotline at 3125 0888 or visit its website at www.ikea.com.hk.



EDB establishes first teacher training and exchange base at South China Normal University in Guangzhou (with photos)

The Education Bureau (EDB) has established Hong Kong's first teacher training and exchange base at South China Normal University (SCNU) in Guangzhou. A plaque-unveiling ceremony was held today (January 10).

Speaking at the ceremony, the Secretary for Education, Dr Choi Yuk-lin, said that the Chief Executive's 2023 Policy Address proposed to establish the first teacher training and exchange base on the Mainland for developing

regular teacher training, exchange and collaboration projects there. She expressed gratitude to the Ministry of Education for its support, and the Department of Education of Guangdong Province and the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region (LOCPG) for their guidance and co-ordination, which facilitated the establishment of the first base at SCNU. She pointed out that SCNU offers teacher education with unique characteristics and has been zealously supporting the professional development of Hong Kong teachers. SCNU was the first institution to organise training for Hong Kong teachers since the full resumption of normal travel between Hong Kong and the Mainland early last year. In the past some eight months, it has organised eight study tours and trained around 900 Hong Kong teachers, including 60 non-Chinese speaking teachers.

She said that the EDB would step up co-operation with SCNU and make good use of the university's strengths, professional development platform, training experience, network and resources via its base to develop diversified and high-quality teacher training projects, enabling educators of the two places to learn from one another and thrive together.

Today was also the launch day of another new batch of Mainland study tours for Hong Kong newly-joined teachers. Dr Choi hoped that teachers participating in the tours will treasure the opportunity to study on the Mainland, see for themselves the national modernisation development in various aspects, enhance their affection for and sense of belonging to the country, share good stories about the country's education, strengthen the national pride and sense of responsibility and ownership of students and lead them to integrate into the country's overall development proactively.

Other guests at the ceremony today included the Director-General of the Department of Education of Guangdong Province, Dr Zhu Kongjun; the Division Director of the Education, Science and Technology Department of the LOCPG, Mr He Jinhui; the Secretary of the Communist Party of China at South China Normal University Committee, Dr Wang Binwei, and around 150 Hong Kong newly-joined teachers.

This morning, Dr Choi toured the Affiliated High School of SCNU to learn about its vision and curriculum characteristics. In the afternoon, she exchanged views with SCNU leaders and met their Hong Kong students.

Yesterday (January 9), Dr Choi visited Sun Yat-sen University and met its President, Professor Gao Song, to learn about the latest developments of the University.

Tomorrow morning (January 11), Dr Choi will depart for Shenzhen to visit the Longgang Science and Technology Museum together with students participating in the Mainland study tour of the senior secondary subject of Citizenship and Social Development. Members of the tour include around 40 non-Chinese speaking students. They will gain an understanding about the national development and Chinese culture through experiential learning offered by the tour.

Dr Choi will conclude her visit and return to Hong Kong at noon on the same day.



Enforcement collaboration between IA and HKMA – Insurance Authority

suspends Cheung Tak On for two months and orders a fine of \$2,900 for misappropriating gift vouchers

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

This press release is issued jointly by the Insurance Authority (IA) and the Hong Kong Monetary Authority (HKMA) today (January 10):

The IA has taken disciplinary action against Cheung Tak On, a current technical representative (agent) appointed by an Authorized Institution at the material times, by suspending his licence for two months and ordering him to pay a pecuniary fine of HK\$2,900, on the grounds of him not being fit and proper. The disciplinary action is decided on the basis of all relevant information, including the information gathered by the HKMA in its investigation into Cheung's conduct.

The HKMA's investigation found that, between January to February 2021, Cheung took a total of 20 gift vouchers with a total value of HK\$2,900 from an Authorized Institution by which he was employed at the material time without its knowledge or authorization. The gift vouchers were intended to be given by the Authorized Institution to its clients as gifts. Certain clients did not however claim their gift vouchers and Cheung decided to keep these for himself without letting his employer know.

On being discovered, Cheung admitted his wrongdoing. At the time he had only used one of the coupons with a value of HK\$50 for his personal use and he returned the remaining coupons he had taken.

The IA is of the opinion that Cheung's conduct crossed the ethical line between right and wrong and, in this respect, he demonstrated a lack of fitness and properness to be a technical representative (agent) during the period in which he was serving in that capacity. Disciplinary action at an appropriate level is therefore merited. In deciding the disciplinary sanction to be imposed under section 84 of the Insurance Ordinance, the IA weighed all relevant circumstances in balance, including that:

1. Cheung admitted to his wrongdoing;
2. Cheung used one of the gift vouchers with a value of HK\$50;
3. Cheung returned the unused gift vouchers to the Authorized Institution, including the coupons that the Authorized Institution had yet to discover to be missing at the material time;
4. Cheung's personal circumstances;
5. Cheung's otherwise clear disciplinary record; and
6. the need to send a message to deter similar conduct.

The Head of Market Conduct of the IA, Mr Peter Gregoire, said, "Once you cross the line between right and wrong in your professional life, that line can begin to blur until one day, if you are not careful, it is eroded altogether. The consequences of this type of ethical fading can be devastating. That's why it is vital to call it out right at the start and hold individuals accountable for their actions when they let their ethics slip. Disciplinary action calibrated and deployed at the appropriate level not only penalises wrongdoing, but can help force a course correction at the right moment. That's what we are aiming for in this case. In doing so, we also seek to reinforce the necessity of underpinning the insurance industry with a strong ethical culture."

The Executive Director (Enforcement and AML) of the HKMA, Ms Carmen Chu, said, "This enforcement outcome illustrates the result of close collaboration between the HKMA and the IA, with the key objective of sending a strong deterrent message to the industry and practitioners that dishonest conduct will not be tolerated. Banking and insurance professionals are reminded to ensure good understanding of conduct standards and internalise the learning from this and other relevant cases and thus contributing collectively to market integrity and consumer protection."

The IA acknowledges Cheung's co-operation in accepting the disciplinary actions which has resulted in prompt resolution of this matter (Note).

For further information on the IA's enforcement work, please see the "[Enforcement News](#)" section of the IA's website. Public disciplinary actions against licensed insurance intermediaries may also be searched on the "[Register of Licensed Insurance Intermediaries](#)" on the IA's website. For further information on the HKMA's enforcement work, please see the "[Enforcement Actions](#)" section on the HKMA's website.

Note: Pursuant to section 84(1) of the IO, at any time when the IA is contemplating exercising a power under section 81, it may, if it considers it appropriate to do so in the interests of policy holders or potential policy holders or the public interest, by agreement with the person concerned (a) exercise a power that the IA may exercise in respect of the person under section 81; and (b) take an additional action that the IA consider appropriate in the circumstances of the case.