

LCQ3: Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge

Following is a question by the Hon Chan Pui-leung and a reply by the Secretary for Transport and Logistics, Mr Lam Sai-hung, in the Legislative Council today (December 13):

Question:

The Quota-free Scheme for Hong Kong Private Cars Travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge (the Scheme) has been implemented since July 1 this year. An applicant is required to first register for balloting via a designated website, then submit an application after being assigned a period of application submission through balloting, and after the application is approved, arrange an appointment for clearance before departure. In this connection, will the Government inform this Council:

(1) as many members of the public have relayed that the application procedures of the Scheme are complicated, and most of the available time slots shown on the Scheme's clearance booking system have quotas to spare, whether the authorities will streamline the application procedures of the Scheme, such as cancelling the balloting procedure, waiving the requirement of arranging clearance appointment before each departure, or discussing with the Mainland Government the removal of the daily limit on the number of applications to be processed;

(2) of the numbers of successful balloting applicants in respective rounds of balloting since the implementation of the Scheme and, among them, the number of those who have subsequently arranged clearance appointments; whether it has reviewed if there were cases of successful balloting applicants not arranging clearance appointments; if there were such cases, of the measures in place to ensure that the application quotas will not be wasted; and

(3) of the number of approved applicants since the implementation of the Scheme and, among them, the number of those who have taken out cross-boundary motor insurance under the "unilateral recognition" arrangement; whether it has reviewed if the implementation situation of the unilateral recognition policy has fallen short of expectation; if the situation has fallen short of expectation, of the improvement measures in place?

Reply:

President,

The Northbound Travel for Hong Kong Vehicles (the Scheme) is a policy breakthrough allowing eligible Hong Kong private cars to travel between Hong Kong and Guangdong via the Hong Kong-Zhuhai-Macao Bridge (HZMB) without the

need to obtain regular quotas. It facilitates Hong Kong residents' self-driving to Guangdong for business, visiting families or sightseeing on a short-term basis. Since July 1 this year, the governments of Guangdong and Hong Kong have allowed approved Hong Kong private cars to travel between Hong Kong and Guangdong via the HZMB. The Scheme enables citizens to embrace the opportunities brought by the HZMB, facilitating further connection among cities in the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) and promoting economic development and integration within the area.

In consultation with the Financial Services and the Treasury Bureau, I would like to reply to the three parts of the question raised by the Hon Chan Pui-leung as follows:

(1) and (2) To ensure smooth operation of the Scheme at its launch, the governments of Guangdong and Hong Kong agreed to set a cap on the number of applications to be accepted, which will be allocated by computer balloting; and applicants should also make travel bookings for specific dates and time via the system. To facilitate people's completion of application procedures of the Scheme, the Transport Department (TD) has launched a one-stop online application system to process balloting, application and travel bookings. We will continue to keep in view the application situation of the Scheme, and subject to people's travel needs, review the application cap, balloting and travel booking arrangement with relevant Mainland authorities in a timely manner, with a view to providing greater convenience for people's travel.

In fact, we have all along been enhancing the arrangements in the light of the implementation situation of the Scheme and people's needs, including increasing the application cap from 200 per working day to 300; increasing the number of vehicle examination centres in Hong Kong designated for the Scheme by the Guangdong government with a view to enhancing the daily vehicle examination capacity; adjusting the number of travel booking timeslots (from six timeslots adjusted to four timeslots), so as to allow greater flexibility for people to arrange their travel; liaising with relevant Mainland authorities to enhance the management system of carparks in Guangdong for recognition of Hong Kong vehicle registration marks, so as to allow vehicles with single car plate to enter and exit; and from time to time providing the latest information on driving in the Mainland on the dedicated website for the Scheme, for example, the TD has published the Note on the Use of Electric Vehicle Adapter Device for reference of electric vehicle owners participating in the Scheme. Through these facilitation measures, Hong Kong residents participating in the Scheme can travel at ease, safely and conveniently, thereby realising the "one-hour living circle" in the GBA.

The Scheme has been open for application since June 2023, applications are accepted every two weeks. If the application number exceeds the cap, balloting will be needed for allocation. As at end of November, 14 rounds of applications were conducted, of which the recent four rounds did not require balloting; a total of about 48 000 people may submit their applications in the 14 rounds of applications, meaning that on average each round accepts applications from around 3 000 people. To better utilise the application quota, the TD has put in place a replacement mechanism to include the quota of successful applicants who did not submit applications within the assigned

period in the application quota of the subsequent round after next, with a view to fully utilising the application quota. As at November 30, a total of around 30 800 applications have completed all procedures of the two places, and are eligible for travel.

There has been continued upsurge in the monthly travel booking numbers under the Scheme, from about 3 700 travel bookings in July, multiplied to about 9 900 in August, 16 700 in September, 26 000 in October and 32 600 in November, totalling at 89 000. We consider that it is purely car owners' own travel arrangements upon approval of their applications of the Scheme, and this does not involve approved quota being wasted. We believe that as people become more familiar with the driving environment and routes in the Mainland and have a better grasp of such information as travelling, sightseeing and consumer hotspots in the Mainland, more applications will be expected, and that more approved applicants will make travel bookings through the online system. We will continue to keep in view the application and travel situations and will, together with the Guangdong side, review and adjust the arrangements for balloting, application cap and booking, etc in a timely manner, for example, simplifying the renewal applications involving no changes to the particulars about owners, vehicles and designated drivers so that applicants may continue joining the Scheme conveniently.

(3) Under the "unilateral recognition" arrangement, applicants for the Scheme may, within the validity period of the statutory motor insurance policy taken out for their vehicles in Hong Kong, procure top-up cover of qualified Traffic Accident Liability Insurance for Motor Vehicles of the Mainland and to select further coverage of the Mainland Commercial Insurance for Motor Vehicles depending on their needs, providing applicants with comprehensive and convenient insurance arrangements from Hong Kong insurance companies.

Of the some 30 800 applications approved from the launch of the Scheme to the end of November 2023, there were nearly 4 000 cross-boundary motor insurance policies issued by Hong Kong insurance companies under the "unilateral recognition" arrangement. To review the implementation of the "unilateral recognition" policy, the Insurance Authority (IA) has been maintaining close liaison with the insurance sector to understand and follow up the difficulties encountered by the insurance companies concerned. Relevant bureaux and departments have been co-ordinating with the IA on feasible measures to refine the "unilateral recognition" policy, which include giving consideration to enhancing the application system of the Scheme to make it more convenient for drivers who take out "unilateral recognition" insurance policies. We will also step up promotion of the "unilateral recognition" policy, and will communicate with the relevant Guangdong authorities so as to explore feasible options for boosting the usage rate of "unilateral recognition" insurance products.

Thank you President.

LCQ1: Protecting the rights and interests of consumers

Following is a question by the Hon Chan Han-pan and a reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (December 13):

Question:

Over the past three financial years, the number of complaints about unfair trade practices received by the Consumer Council has remained above 1 400. Regarding protecting the rights and interests of consumers, will the Government inform this Council:

(1) whether there are new measures to combat the use of unfair trade practices (such as aggressive commercial practices and bombardment) by education centres, beauty parlours or fitness centres to obtain service contracts involving pre-paid mode of consumption; if so, of the details and timetable, including whether it will implement a statutory cooling-off period through legislation within next year and introduce a class action regime in the near future; if there are no new measures, how the authorities will step up efforts to combat such unfair trade practices;

(2) whether it will, by drawing reference from the practice of the Mainland in implementing the Law of the People's Republic of China on the Protection of Consumer Rights and Interests, stipulate that consumers who purchase goods by means of remote shopping may return the goods within seven days without the need for giving any reasons; if so, of the details and timetable; if not, the reasons for that; and

(3) given that consumers will be considered unsecured creditors and have a lower priority in receiving compensation after a trader's business has been closed down, whether the authorities will consider amending the legislation to give consumers who have purchased pre-paid goods or services from traders a higher priority in receiving compensation; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

Having consulted the Department of Justice and the Financial Services and the Treasury Bureau, 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) prohibits traders from subjecting consumers to unfair trade practices, including false trade descriptions, misleading omissions,

aggressive commercial practices, bait advertising, bait-and-switch and wrongly accepting payment. The Ordinance covers goods and services, and is applicable to the trade practices of both physical and online traders. Traders who contravene the relevant provisions of the Ordinance are liable to a maximum penalty of imprisonment for five years and a fine of \$500,000.

The Customs and Excise Department (C&ED) is 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 October 2023, the C&ED completed the investigation of 477 cases and completed 284 prosecution cases, among which 258 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 155 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.

In addition, on compliance promotion, during the period from 2020 to the end of October 2023, the C&ED held a total of 81 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. The C&ED also carries out publicity and education 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".

According to the figures compiled by the Consumer Council for the past three financial years, the total number of complaints it received concerning the unfair trade practices prohibited under the Ordinance had dropped from over 1 600 cases to around 1 400 cases in 2022-23. Among the complaints, the number of complaints involving aggressive commercial practices had declined over the past three financial years consecutively. These numbers illustrate that the measures aforementioned are effective in combatting unfair trade practices.

The Government notes that unfair trade practices involving pre-paid mode of consumption, in particular the situation of fitness centres and beauty parlours using aggressive tactics to sell services that involve large amount of pre-payments, is a matter of concern in society. In this regard, the

Government launched a three-month public consultation in 2019 to solicit views on the proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts through legislation. However, shortly after the completion of the public consultation, there have been drastic changes in the social environment, economic situation and consumption sentiment since the second half of 2019. As Hong Kong has only started resuming normalcy in full this year, enterprises (especially small and medium enterprises) are still facing various challenges in their operations. We will continue to, having regard to the prevailing circumstances including the economic situation and relevant complaint and enforcement statistics, critically review the relevant proposal before deciding the way forward.

In addition, the cross-sector Working Group on Class Actions established by the Government has commissioned a consultant to study the economic and other related impacts on Hong Kong that will be brought about by the introduction of a class action regime.

(2) As regards the Law of the People's Republic of China on the Protection of Consumer Rights and Interests mentioned in the question, one of its clauses concerns goods that are purchased through the channels of online network, television, telephone, mail order, etc. The clause specifies the rights of consumers to return the relevant goods within seven days upon receipt of the goods without the need to specify the reasons.

In recent years, with the rapid development of e-commerce, different modes of remote transaction (including through online network, television, telephone, mail order, etc) have become very common. In particular, online transaction has become an indispensable component among different industries in Hong Kong. If the aforementioned regime of returning goods without the need to specify reasons is put in place, the business operation of different industries will be severely affected, leading to additional costs, including those administrative and staff expenditure arising from contract cancellation and refund handling, to be borne by numerous traders, adding burden to the business community.

We have to exercise caution when weighing up the pros and cons, including the rights and interests of consumers as well as the impacts on traders and the development of relevant modes of consumption. In fact, whether consumers make a purchase through a physical trader or a mode of remote transaction, they are both protected by the existing legislation (including the Ordinance) in Hong Kong. Considering the current economic environment in Hong Kong as well as the deep impact that would be posed to different industries in Hong Kong if a regime of returning goods without the need to specify reasons was imposed on remote transaction, we have no plan to put in place the relevant regime.

(3) As regards the priority of creditors in receiving compensation when a company is wound up, with the main objective of giving protection and confidence to investors and creditors and promoting the business environment, Hong Kong's corporate winding-up regime serves to ensure that the value of the remaining assets of the insolvent company will be preserved as far as possible and that the assets will be distributed amongst the creditors of the

company, including its employees, suppliers and contractors, in a fair and orderly manner. In general, except for secured debts (e.g. mortgage loan) and preferential debts (including wages/salary, severance payments, long service payments, as defined under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32)), other creditors have the same priority and will be paid in accordance with the pari passu principle, i.e. dividend will be paid to creditors pro-rata in accordance with the amount of their admitted claims.

The regime was formulated taking into account the Law Reform Commission's recommendations that the principle of pari passu distribution should not be lightly altered unless the alteration is necessary to prevent systematic failure or to maintain public order. The position is in line with comparable jurisdictions.

LCQ8: Commercial Data Interchange

Following is a question by the Hon Duncan Chiu and a written reply by the Acting Secretary for Financial Services and the Treasury, Mr Joseph Chan, in the Legislative Council today (December 13):

Question:

The Hong Kong Monetary Authority officially launched the Commercial Data Interchange (CDI) in October 2022, aiming at providing a single interface connection for each bank and data provider, so as to dispense with the work of banks making point-to-point connections with sources of commercial data one by one, thereby facilitating data sharing. CDI will greet the first government data source by the end of this year when the Companies Registry (CR) will be connected to CDI via the Government's Consented Data Exchange Gateway (CDEG). In this connection, will the Government inform this Council:

- (1) whether it has estimated, after CR's connection to CDI, the average number of data requests transmitted through CDI each month, the main areas involved and the total credit approval amount;
- (2) of the data sharing mechanism developed for the connection of CR to CDI, including (i) the criteria for determining what data can be shared, (ii) whether data sharing will be implemented in phases or all data will be opened up in one go, and (iii) whether blockchain technology will be fully applied;
- (3) of the respective quantities of digitised and non-digitised data currently maintained by CR and the areas involved; the main storage methods of such non-digitised data;
- (4) whether it has formulated specific strategies and a timetable for

promoting the digitisation of the data of CR so as to cater for the need for its connection to CDI by the end of this year and data transmission; if so, of the details; and

(5) whether it has plans to motivate more government departments to connect to CDI via CDEG; if so, of the details and timetable; if not, the reasons for that?

Reply:

President,

In consultation with the Innovation, Technology and Industry Bureau, the Companies Registry (CR) and the Hong Kong Monetary Authority (HKMA), my reply to Hon Duncan Chiu is as follows:

(1) and (2) The CR will connect to the HKMA's Commercial Data Interchange (CDI) via the Consented Data Exchange Gateway (CDEG) developed by the Office of the Government Chief Information Officer (OGCIO) in end-December this year in order to facilitate banks to obtain information of relevant enterprises on the Companies Register. The CDEG will utilise the Shared Blockchain Platform of the OGCIO to ensure that the records of data sharing cannot be tampered.

Company information obtainable through the CDI is the same as the scope of information currently available under the electronic search services of the CR. We have not estimated the volume of data transfer and the total amount of loan granted after connecting the CR's system to the CDI.

(3) and (4) The CR has been committed to utilising innovative technology and expanding electronic services. At present, all information maintained in the Companies Register has been fully digitalised and there is no non-digitalised data. Members of the public may conduct searches on various company information, including annual returns, shareholders, directors and company secretaries, via the CR's Cyber Search Centre. The CR will roll out a revamped information system on December 27 this year to support its business operations and electronic services through a single integrated online platform.

(5) The HKMA is exploring with other government departments the feasibility of sharing more data with banks via the connection between the CDI and the CDEG, with a view to further promoting the wider application of the CDI. Details will be announced in due course.

LCQ19: Incentive Scheme for Recurrent

Exhibitions

Following is a question by the Hon Jimmy Ng and a written reply by the Acting Secretary for Commerce and Economic Development, Dr Bernard Chan, in the Legislative Council today (December 13):

Question:

To support the recovery of business events and strengthen Hong Kong's reputation as a premier international convention and exhibition hub, the Government launched a \$1.4 billion Incentive Scheme for Recurrent Exhibitions (ISRE) in July this year. It is expected that the ISRE would provide incentives to organisers of eligible recurrent exhibitions for more than 200 exhibitions held over the three-year period of the scheme. In this connection, will the Government inform this Council:

(1) of the respective numbers of applications received and approved under the ISRE so far, with a breakdown by the type of exhibitions (i.e. eligible recurrent international exhibitions and other eligible recurrent exhibitions); of the average incentive amount for the approved applications, as well as the average time taken for vetting and approving each application;

(2) of the respective numbers of applications received and approved under the ISRE so far for the following types of exhibitions: (i) other recurrent exhibitions (e.g. recurrent exhibitions with less than five past editions or new exhibitions intended to be held recurrently), and (ii) exhibitions with any or all of the five past editions neither held at the Hong Kong Convention and Exhibition Centre nor the AsiaWorld-Expo; of the respective average incentive amounts for the approved applications for the types of exhibition under (i) and (ii);

(3) as there are views that with a total funding of \$1.4 billion under the ISRE as incentives for 200 exhibitions, the amount for each exhibition could be \$7 million on average, which is far below the cap of \$20 million for each exhibition, whether the authorities will increase the funding of ISRE; if so, of the details; if not, the reasons for that; and

(4) whether it will consider an extension of the implementation period or the regularisation of the ISRE; if so, of the details; if not, the reasons for that?

Reply:

President,

My consolidated reply to the question raised by the Hon Jimmy Ng is as follows:

To support the post-pandemic recovery and maintain the competitiveness

of Hong Kong's convention and exhibition (C&E) industry, as well as consolidate and enhance Hong Kong's status as an international trade centre and C&E hub, the Government launched the \$1.4 billion Incentive Scheme for Recurrent Exhibitions (Incentive Scheme) in July this year to provide incentives to organisers of eligible recurrent exhibitions for three years.

In general, the Government will disburse the incentive to the organiser through the venue operator within 12 working days after receipt of duly completed application form and supporting documents.

During the five-month period ending November 30, 2023, a total of 32 applications for completed events were received under the Incentive Scheme, of which 31 have been approved, involving a total incentive of \$112 million. The remaining application is pending submission of supporting documents by the organiser and no application has been rejected.

Among the 31 approved applications:

*22 applications involves international recurrent exhibitions with an average incentive of about \$4.8 million; the remaining nine applications involve other recurrent exhibitions with an average incentive of about \$0.6 million.

*Eight applications involve recurrent exhibitions with less than five past editions or new exhibitions intended to be held recurrently, with an average incentive of about \$1.5 million; three applications involve exhibitions that one or all of the five past editions were not held at the Hong Kong Convention and Exhibition Centre nor AsiaWorld-Expo, with an average incentive of about \$5.6 million.

At present, the Incentive Scheme has been in operation for less than six months with less than 10 per cent of the funds utilised. The Government will closely monitor the utilisation of the funds of the Incentive Scheme and the needs of the industry, and will consider in due course whether there is a need to adjust the details of the Incentive Scheme.

LCQ15: Chinese medicine practitioners admitted via talent admission schemes

Following is a question by Professor the Hon Chan Wing-kwong and a written reply by the Secretary for Health, Professor Lo Chung-mau, in the Legislative Council today (December 13):

Question:

The Government announced on May 16, 2023 an updated Talent List (the

updated List) that applies to the Quality Migrant Admission Scheme, the General Employment Policy, as well as the Admission Scheme for Mainland Talents and Professionals. The updated List comprises 51 professions under nine industry segments, including Chinese medicine (CM) practitioners under the healthcare services industry. In this connection, will the Government inform this Council:

(1) since the announcement of the updated List, whether there are employers which have brought in CM practitioners via the aforesaid talent admission schemes; if so, of the respective numbers of applications received and approved by the Government, as well as the numbers of CM practitioners involved; among the approved applications, the number of CM practitioners who have already come to Hong Kong;

(2) of the work contents of CM practitioners granted with visas to enter Hong Kong as mentioned in (1), including whether they will provide CM diagnostic and treatment services; and

(3) given that under the Chinese Medicine Ordinance (Cap. 549), all persons practising CM in Hong Kong must first apply for registration with the Chinese Medicine Practitioners Board of the Chinese Medicine Council of Hong Kong and apply for a practising certificate, how the authorities will perform proper gatekeeping to ensure that no CM diagnostic and treatment services will be provided by CM practitioners admitted via the aforesaid talent admission schemes until they become holders of the relevant practising certificate?

Reply:

President,

In consultation with the Labour and Welfare Bureau and the Immigration Department, the consolidated reply to the question raised by Professor the Hon Chan Wing-kwong is as follows:

The Government announced in May 2023 the expansion of the Talent List to cover 51 professions under nine industry segments, encompassing all 13 statutory healthcare professions (including Chinese medicine practitioners (CMPs)). The Talent List applies to the Quality Migrant Admission Scheme, the General Employment Policy and the Admission Scheme for Mainland Talents and Professionals. This initiative aims to provide immigration facilitation for healthcare professionals who have already fulfilled the prevailing local statutory registration requirements, and convey the positive message that the Government is determined to strive to attract qualified non-locally trained healthcare professionals to come to Hong Kong, giving a positive effect on drawing in talents and stabilising the manpower supply. Nonetheless, this initiative changes neither the professional qualifications nor the practising requirements for the relevant persons' practice in Hong Kong.

In accordance with the Chinese Medicine Ordinance (Cap. 549), all persons practising Chinese medicine (CM) in Hong Kong are required to apply to the Chinese Medicine Practitioners Board (CMPB) of the Chinese Medicine

Council of Hong Kong for registration as a CMP. Any non-locally trained CMP (including non-Hong Kong resident) who wishes to be a registered CMP in Hong Kong can take and pass the Chinese Medicine Practitioners Licensing Examination (CMPLE) (Note) before making such an application for registration. Registered CMPs must hold valid practising certificates to practise CM in Hong Kong.

CMPs who wish to enjoy immigration facilitation under the Talent List through applications to the three aforesaid talent admission schemes have to hold qualifications registrable in Hong Kong under the Ordinance. Taking the example of registered CMPs, non-Hong Kong residents who fulfill the training requirements for CM practice, take and pass the CMPLE, and after completing registration and obtaining practising certificates, are provided with immigration facilitation under the Talent List to work and practise as a registered CMP in Hong Kong.

Since the expansion of the Talent List and as of October 31, 2023, none of the three aforesaid talent admission schemes has received or approved any application fulfilling the professional qualifications for CMPs as required under the Talent List.

Note: The CMPLE is open to any person who has completed an undergraduate degree course of training in CM practice or its equivalent as approved by the CMPB. There is no requirement that candidates must be Hong Kong residents.