

LCQ7: Regulation of guesthouse licences

Following is a question by the Hon Vincent Cheng and a written reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (June 19):

Question:

There are views pointing out that at present, there are many unlicensed or shadow guesthouses (i.e. unlicensed guesthouses operated by guesthouse licensees at other premises) operating in old commercial/residential buildings across the territory, which pose safety risks to residents and tourists. The existence of unlicensed guesthouses also affects the reputation of the guesthouse industry and tourism industry of Hong Kong. In this connection, will the Government inform this Council:

(1) given that the Hotel and Guesthouse Accommodation (Amendment) Ordinance 2020 explicitly empowers the Hotel and Guesthouse Accommodation Authority to take into account in the licensing process the relevant restrictive provisions in land documents, of the number of cases of renewal of guesthouse licences being refused due to violation of the Deeds of Mutual Covenant after the Ordinance came into effect and, among them, the number of cases in which the applicants have lodged appeals and the decision to refuse licence renewal has been suspended;

(2) of the number of complaints about suspected operation of unlicensed guesthouses received by the Office of the Licensing Authority (OLA) under the Home Affairs Department and, among them, the respective numbers of cases completed, successfully prosecuted and convicted in each of the past three years;

(3) of the following information on the law enforcement actions taken by OLA in respect of suspected operation of unlicensed guesthouses in each of the past three years: (i) the number of inspections, (ii) the districts inspected, (iii) the number of cases where prosecutions were instituted, (iv) cases still under investigation, and (v) the number of convicted cases and the respective amounts of fines or terms of imprisonment;

(4) as some members of the guesthouse industry have pointed out that unlicensed guesthouses often accept room reservations through online hotel booking platforms, how OLA will step up law enforcement efforts; in addition to carrying out decoy operations to gather evidence, whether the Government has conducted joint-departmental enforcement operations or adopted other investigation approaches to combat unlicensed guesthouses soliciting tourists on online platforms; if so, of the details; if not, the reasons for that; what measures the Government has put in place to remind tourists to avoid mistakenly choosing to stay in unlicensed hotels;

(5) whether it has, when processing applications for grant or renewal of guesthouse licence, considered checking the capacity and fire service equipment of the common area of the buildings concerned, including whether the buildings have complied with the Mandatory Building Inspection Scheme notices or Fire Safety Directions, etc.; and

(6) whether it has considered reviewing the existing guesthouse licensing regime and legislation to stipulate the number of guesthouse rooms allowed in a commercial/residential building; if so, of the details; if not, the reasons for that?

Reply:

President,

Operation of guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance). The Ordinance aims to ensure that premises intended to be used as guesthouses are suitable for such a purpose, including compliance with statutory standards in respect of building and fire safety. The Office of the Licensing Authority (OLA) under the Home Affairs Department (HAD) is responsible for administering the Ordinance, including issuing licences and performing enforcement duties.

Our reply to the question raised by the Hon Cheng is as follows:

(1) The Hotel and Guesthouse Accommodation (Amendment) Ordinance 2020 (the Amendment Ordinance) took effect on December 1, 2020, with a transitional period of 12 months. After the end of the transitional period (i.e. after November 30, 2021), all licence renewal applications must comply with the enhanced statutory requirements under the Ordinance.

As of end-April 2024, there are 1 410 premises licensed with Guesthouse (General) Licences. Since the implementation of the Amendment Ordinance, 60 renewal applications for Guesthouse (General) Licence were rejected due to restrictive provision in the deed of mutual covenant (DMC) or land lease (if there is no DMC). Amongst those, 15 licensees lodged appeals to the Appeal Board (Hotel and Guesthouse Accommodation). Appeal procedures were completed for five cases and the Appeal Board (Hotel and Guesthouse Accommodation) decided to uphold the decisions of refusal to renew licences for all five cases; one licensee finally decided to withdraw the appeal; and the remaining nine appeal cases are currently being processed. Pursuant to section 17A of the Ordinance, the decisions to reject the licence renewal applications for the nine concerned cases are currently being suspended, until the processing of the appeals have been completed.

(2) and (3) The number of complaints related to suspected unlicensed hotels or guesthouses received by the OLA and the enforcement statistics# in the last three years (from 2021 to end-April 2024) are provided below:

	2021	2022	2023	2024 (as of end-April)	Total
Number of Complaints	668	242	1 084	480	2 474
Number of Inspections	7 498	4 297	5 588	3 048	20 431
Number of Prosecutions*	9	42	120	68	239
Number of Convictions*	9	25	91	42	167

The case record system of the OLA does not maintain the breakdown on the number of complaints of which the investigation is completed / is ongoing.
 * The number of prosecutions and convictions for operating unlicensed hotels or guesthouses usually relate to incidents happened before that particular year. In the last three years, the amount of fines imposed on offenders who operated unlicensed hotels or guesthouses ranged from \$1,500 to \$30,000.

The statistics of inspections to suspected unlicensed hotels or guesthouses carried out by the OLA in each of the 18 districts in the last three years are provided below:

District	2021	2022	2023	2024 (as of end-April)	Total
Islands	510	384	637	209	1 740
North	39	32	54	43	168
Sai Kung	197	148	233	77	655
Sha Tin	79	53	39	44	215
Tai Po	35	24	40	17	116
Tsuen Wan	83	35	115	57	290
Tuen Mun	98	33	69	56	256
Yuen Long	207	204	191	90	692
Kwai Tsing	20	13	26	30	89
Central and Western	356	187	337	211	1 091
Wan Chai	722	548	977	702	2 949
Eastern	84	102	175	58	419
Southern	11	16	23	12	62
Kowloon City	143	78	102	53	376
Kwun Tong	40	29	64	25	158
Sham Shui Po	242	121	169	53	585

Wong Tai Sin	20	17	19	9	65
Yau Tsim Mong	4 612	2 273	2 318	1 302	10 505
Total	7 498	4 297	5 588	3 048	20 431

(4) The OLA has spared no effort and adopted a multi-pronged approach to combat unlicensed guesthouses, including enhancing deterrent effect, strengthening law enforcement action, stepping up publicity, etc.

To strengthen law enforcement action, the Amendment Ordinance has introduced new provision that the owners and tenants of the premises (which refer to persons given exclusive possession of the premises concerned under a tenancy and do not include guests patronising the premises) being used as unlicensed guesthouses will also be held criminally liable. The maximum penalty is a fine of \$500,000 and three years' imprisonment. The court may also issue a six-month closure order to the premises involved in a repeated offence. In addition, the Amendment Ordinance also empowers the OLA to apply to the court for a search warrant to enter into the concerned premises to inspect and search for evidence to combat unlicensed guesthouses.

To strengthen the deterrent effect, the OLA will pass information on conviction records of successful prosecution cases and their relevant details to the Rating and Valuation Department, the Inland Revenue Department, mortgage banks or monetary institutions, owners' corporations of the buildings, etc, so that they can take follow-up actions under their respective purviews. Should an estate agent be convicted, the OLA will also pass the conviction record to the Estate Agents Authority for follow-up actions.

As for law enforcement action, when a suspected unlicensed guesthouse operation is identified or such a report is received, the OLA will inspect the premises concerned within a short period of time. Having regard to the circumstances of individual cases, the OLA will follow up and collect evidence by employing the most appropriate and effective means, such as conducting surprise inspections at different times, launching inter-departmental joint operations with other relevant departments, or adopting "snaking" to collect evidence. In addition, the OLA will also step up its enforcement actions to combat unlicensed guesthouses during festive holidays (e.g Lunar New Year, Labour Day and Christmas holidays).

As regards publicity, the OLA has uploaded a list of licensed guesthouses onto its webpage (www.hadla.gov.hk) and launched a mobile application "Hong Kong Licensed Hotels and Guesthouses" to help tourists search for the latest details, licence numbers and addresses of licensed guesthouses. Tourists and members of the public may also use this mobile application to report suspected unlicensed guesthouses to the OLA. In order to facilitate tourists in identifying whether the guesthouses they are staying in are licensed, the OLA requires all licensed guesthouses to display guesthouse logos at main entrances as well as the door of each of the rooms of the guesthouses. The OLA has also conducted publicity work on internet

search engine outside Hong Kong to help tourists access information about licensed guesthouses.

The OLA will review and flexibly adjust its enforcement and publicity strategies and continue to combat and eradicate unlicensed guesthouses vigorously.

(5) and (6) The OLA has been strictly adhering to the Ordinance in processing all applications for guesthouse licences and licence renewal. When considering whether a premises shall be issued with a licence, the OLA will consider the floor area of the building where the premises is located and the overall discharge value of emergency staircases of the building, in order to assess the capacity of guests the premises can accommodate. The concerned premises must also comply with statutory standards in respect of building and fire safety. During the validity period of the licence, the OLA will conduct spot checks to the premises and require all licensees to submit a valid Certificate of Fire Service Installation and Equipment every year, to ensure that the concerned premises itself complies with the relevant building and fire safety requirements. When applying for licence renewal, the licensees shall ensure the concerned premises comply with the appropriate building and fire safety standards, as well as all licensing conditions. For areas outside the licenced premises (e.g. common areas of the buildings), building and fire safety are regulated by other relevant ordinances and law enforcement departments.

As for whether there is a need to review the licensing regime and requirements for licensed guesthouses, the HAD will fully consider views of the public and stakeholders.

Auctions of traditional vehicle registration marks to be held on July 6 and 7

The Transport Department (TD) today (June 19) announced that two auctions of traditional vehicle registration marks will be held on July 6 (Saturday) and 7 (Sunday) in Meeting Room S421, L4, Old Wing, Hong Kong Convention and Exhibition Centre, Wan Chai.

"A total of 350 vehicle registration marks will be put up for public sale at each auction. The lists of marks have been uploaded to the department's website, www.td.gov.hk/en/public_services/vehicle_registration_mark/index.html," a department spokesman said.

Applicants who have paid a deposit of \$1,000 to reserve a mark for auction should also participate in the bidding (including the first bid at the reserve price of \$1,000). Otherwise, the mark concerned may be sold to another bidder at the reserve price.

People who wish to participate in the bidding at the auction should take note of the following important points:

(1) Successful bidders are required to produce the following documents for completion of registration and payment procedures immediately after the successful bidding:

(i) the identity document of the successful bidder;

(ii) the identity document of the purchaser if it is different from the successful bidder;

(iii) a copy of the Certificate of Incorporation if the purchaser is a body corporate; and

(iv) a crossed cheque made payable to "The Government of the Hong Kong Special Administrative Region" or "The Government of the HKSAR". (For an auctioned mark paid for by cheque, the first three working days after the date of auction will be required for cheque clearance confirmation before processing of the application for mark assignment can be completed.)

Successful bidders can also pay through the Easy Pay System (EPS). Payment by post-dated cheques, cash or other methods will not be accepted.

(2) Purchasers must make payment of the purchase price through EPS or by crossed cheque and complete the Memorandum of Sale of Registration Mark immediately after the bidding. Subsequent alteration of the particulars in the memorandum will not be permitted.

(3) A vehicle registration mark can only be assigned to a motor vehicle which is registered in the name of the purchaser. The Certificate of Incorporation must be produced immediately by the purchaser if a vehicle registration mark purchased is to be registered under the name of a body corporate.

(4) Special registration marks are non-transferable. Where the ownership of a motor vehicle with a special registration mark is transferred, the allocation of the special registration mark shall be cancelled.

(5) The purchaser shall, within 12 months after the date of auction, apply to the Commissioner for Transport for the registration mark to be assigned to a motor vehicle registered in the name of the purchaser. If the purchaser fails to assign the registration mark within 12 months, allocation of the mark will be cancelled and arranged for re-allocation in accordance with the statutory provision without prior notice to the purchaser.

For other auction details, please refer to the Guidance Notes – Auction of Traditional Vehicle Registration Marks, which can be downloaded from the department's website,

www.td.gov.hk/en/public_services/vehicle_registration_mark/tvrm_auction/index.html.

LCQ4: Regulating trampoline parks

â€‹Following is a question by the Hon Edward Leung and a reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (June 19):

Question:

It has been reported that in recent years, quite a number of trampoline parks, which are high-risk sports premises, have been operating in the market, and incidents of players in related activities sustaining grave injuries have occurred from time to time. There are views pointing out that the existing regulation imposed by the Government on the premises concerned is ambiguous, and such premises are neither required to apply for any licence for operation nor deploy staff members to be on duty or provide first aid services to injured players. In this connection, will the Government inform this Council:

(1) of the respective numbers of requests for assistance involving injuries caused by playing trampolines in trampoline parks received by the Police and the Hospital Authority in each of the past five years, and the respective numbers of cases in which the injured persons were slightly injured, seriously injured and died;

(2) given that some members of the public have relayed to me that at present various government departments lack coordination and shirk responsibilities over the regulation of trampoline parks, of the current regulatory work carried out by various government departments on the premises concerned, and whether the Government has plans to designate one particular department to act as the primary party held accountable for taking the lead in and coordinating the relevant regulatory work; if so, of the details; if not, the reasons for that; and

(3) given that trampoline parks are not required to apply for any licence for operation, and it has been reported that some operators have even asked players to sign a liability waiver, commonly known as "life and death agreement", whether the Government will establish a licensing regime in respect of such premises?

Reply:

President,

Having consulted the relevant policy bureaux, my reply on behalf of the Government to the question raised by the Hon Edward Leung is as follows:

Since the nature of the sports premises and places of amusement varies,

relevant policy bureaux and departments adopt different regulatory approaches corresponding to the nature of each of the sports activities and premises. For example, the Leisure and Cultural Services Department is responsible for the enforcement of Places of Amusement Regulation (Cap. 132, sub. leg. BA) under the Public Health and Municipal Services Ordinance. The purpose of the Regulation is to ensure the public order of the billiard establishments, public bowling-alleys and public skating rinks as well as to protect young people. Meanwhile, if the operation of the premises involves "entertainment" as defined in the Places of Public Entertainment Ordinance (Cap. 172) such as cinematograph, exhibition and concert performance, etc., and if such place is open to the public (whether a fee is charged or not), its operator must apply to the licensing authority for a Places of Public Entertainment licence in accordance with the Ordinance. The Places of Public Entertainment Ordinance aims to ensure public safety and order at places of entertainment where members of the public congregate, covering a number of aspects such as fire safety, building safety, electrical and mechanical equipment, ventilation, crowd management and hygiene, etc.

The Government's reply to the various parts of the question is as follows:

(1) The service statistics of the Hospital Authority (HA) in relation to the reasons for attendance are mainly based on the symptoms or injuries of the attending patients, and there is no breakdown by causes of injuries of the patients. Therefore, the HA does not maintain statistics on the number of injuries caused by playing trampolines in trampoline parks. Separately, the Hong Kong Police Force does not maintain a breakdown of statistical figures mentioned in the question.

(2) and (3) As stated at the beginning of the reply, the nature of the sports premises and places of amusement varies. Insofar as trampoline is concerned, if the trampoline is used for gymnastic purposes, its operation should be conducted in accordance with the established guidelines of the relevant sports associations. The users should also have received professional training or be guided by recognised coaches. Meanwhile, organisers or operators of trampolining can also make reference to the installation and user guidelines issued by the manufacturers of these facilities, and engage qualified instructors to provide guidance to trampoline users as necessary.

In fact, existing legislation already imposes controls on contracts relating to consumer transactions. Among others, the Control of Exemption Clauses Ordinance (Cap. 71) prohibits traders from evading civil liability by means of contract terms or other means. For instance, section 7 of the Ordinance provides that a person cannot by reference to any contract term or to a notice given to persons generally or to particular persons exclude or restrict his liability for death or personal injury resulting from negligence. If such liability waiver (or commonly known as "life and death agreement") purports to exclude or restrict liability for negligence, the consumer's signing of such agreement terms is not of itself to be taken as indicating his voluntary acceptance of any risk. Depending on the actual terms of the contract, aggrieved consumers may lodge claims under the law of

contract and/or the common law according to the actual circumstances (including contract terms) of the case concerned.

The Government will continue to keep in view the situation of different premises and having regard to the nature of such premises as well as their actual mode of operation, consider whether it is necessary to put forward further regulation.

Result of tender of People's Bank of China RMB Bills held on June 19, 2024

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

Result of the tender of the People's Bank of China RMB Bills held on June 19, 2024:

Tender Result

Tender Date	:	June 19, 2024
Bills available for Tender	:	Six-month RMB Bills
Issuer	:	The People's Bank of China
Issue Number	:	BCHKFP24012
Issue Date	:	June 21, 2024
Maturity Date	:	December 20, 2024 (or the closest coupon payment date)
Application Amount	:	RMB 51,860 million
Issue Amount	:	RMB 20,000 million
Average accepted Coupon Rate	:	2.49 per cent
Highest accepted Coupon Rate (Bills' Coupon)	:	2.59 per cent
Lowest accepted Coupon Rate	:	1.75 per cent
Allocation Ratio (At Highest accepted Coupon Rate)	:	Approximately 35.30 per cent

LCQ9: Combating touting activities in

booking of recreation and sports venues

Following is a question by the Hon Luk Chung-hung and a written reply by the Secretary for Culture, Sports and Tourism, Mr Kevin Yeung, in the Legislative Council today (June 19):

Question:

It has been reported that recently, there has been a relapse in the situation where hirers tout their booked sessions for using the recreation and sports facilities for profits (touting). The publicly-funded recreation and sports venues have been reduced to "cash cows" for "venue touting gangs" to make profit out of nothing. For example, the Government's indoor basketball courts, which charge between \$57 and \$148 per hour, have been touted at between \$800 and \$1,200 for two hours. In addition, some "venue touting gangs" have resorted to human wave tactics and computer programmes to access the intelligent sports and recreation services booking and information system "SmartPLAY" of the Leisure and Cultural Services Department (LCSD) extremely quickly in the early morning each day to book 60 per cent to 70 per cent of the tennis courts for prime time and then resell them at a higher price. In this connection, will the Government inform this Council:

(1) as there are views pointing out that although the situation of touting has improved since the launch of SmartPLAY, the LCSD staff members as supervisors have failed to effectively stop touting activities, how the Government ensures that the LCSD staff members will strictly discharge their duties to accurately combat touting activities;

(2) as it has been reported that some people use other people's identity cards to check-in repeatedly at self check-in devices at the ball courts under the LCSD, and some hirers just wander around the venues during the booked session without using the facilities, but rather transfer the venues to suspected buyers by way of touting, whether the Government will consider installing closed-circuit televisions at the LCSD venues, so as to prevent the aforesaid activities; and

(3) of (i) the number of cases investigated by government departments in respect of touting-related activities and, among them, (ii) the number of cases where prosecutions were instituted and (iii) the number of successful cases of conviction in the past five years, and set out the breakdown in the table below?

Type of cases	2020	From 2024 to present
(i)			
(ii)			

(iii)			
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Reply:

President,

My reply to the questions raised by the Hon Luk Chung-hung is as follows:

(1) The Leisure and Cultural Services Department (LCSD) has all along been paying close attention to the unauthorised transfer of user permits or touting activities in relation to sports and recreation facilities. In recent years, the LCSD has adopted a multi-pronged approach in combating touting activities, including enhancing the booking arrangements, imposing penalty arrangements and stepping up inspections. To combat the touting of sports and recreation facilities more effectively, the LCSD has already incorporated functions addressing the touting of venues when the SmartPLAY system was launched, including:

(i) Requiring real-name registration;

(ii) Adding a new function of allocating certain popular recreation and sports facilities by ballot instead of the first-come-first-served allocation mechanism;

(iii) Requiring the hirer to fill in the account numbers of four other SmartPLAY users with whom the hirer will use the facility when submitting balloting application for turf soccer pitches or booking on a first-come-first-served basis. Three out of these four SmartPLAY users are required to check in together with the hirer and be present during the use of the booked session;

(iv) Requiring members of the public to declare and undertake that they will be present during the use of the booked session(s) and that the user permit will not be transferred by any means in the course of booking facilities via the SmartPLAY system and checking in. Any one failing to do so may commit the offence of fraud under section 16A of the Theft Ordinance (Cap. 210) and be liable to prosecution and imprisonment of up to 14 years upon conviction; and

(v) allowing hirers to cancel bookings up to one day before the booked session via different channels, including the internet/mobile app/smart self-service stations (SSS), but the cancelled session(s) will not be immediately released for booking on the new system to prevent using the cancellation of booking as a means of transferring the user permit of the booked session for touting activities. Cancelled session(s), including those of turf soccer pitches, will be posted on the LCSD website and under the section titled "Cancelled sessions to be released for booking" on the system at 1am on the following day. They will be available for booking again from 7am on the same day through various booking channels on a first-come-first-served basis.

To stamp out login by computer programs effectively, the SmartPLAY system adopts a new generation of Web Application Firewall and anti-bot

solution. Once unusual login or booking is detected, the anti-bot solution will conduct analysis and intercept bot access instantly.

The LCSD has stepped up the monitoring of unauthorised transfer and touting of sports and recreation venues, including closely monitoring social media platforms, collecting information such as venues and sessions of suspected touting cases on a regular basis and working closely with the law enforcement agency to take appropriate follow-up actions on suspected cases of unauthorised transfer. The LCSD will continue to monitor the effectiveness of the anti-touting measures, and will further enhance the SmartPLAY system and roll out more stringent administrative measures to combat touting when needed.

Meanwhile, as stipulated in the Conditions of Use of LCSD Recreation and Sports Facilities, hirers must check-in for the use of the facilities with their original Hong Kong Identity Cards (HKIDs) at the SSS or Self-service Check-in Device (CID) before using the facilities, and be present during the booked session(s). Any hirer who has failed to take up and/or be present during booked session(s) on two occasions within 60 consecutive days will be suspended from booking LCSD fee-charging facilities for 90 days.

The LCSD has formulated operational guidelines for venue staff of sports and recreation facilities. Venue staff are required to follow the relevant procedures when handling hirers' check-in of venues and keep proper records. They are also reminded, from time to time, to strictly follow the prevailing guidelines to inspect the use of sports and recreation facilities. The LCSD has also issued guidelines requiring district management staff to strengthen the venue management and arrange on-site inspections, especially for venues with a high risk of touting activities. Venue supervisory and frontline staff have been reminded to strictly enforce the relevant guidelines and ensure that the relevant official records (e.g. Sign-in Registration by Hirer/Users, Monthly Register of Block Bookings, etc) are properly maintained. In addition, the Quality Assurance Section of the LCSD will conduct surprise inspections of sports and recreation venues at different times to ascertain whether venue staff have followed the departmental guidelines when hirers check-in to take up booked facilities and when conducting random checks on hirers' use of venues. If irregularities are found, venue staff will be instructed to rectify immediately and the relevant summaries will be forwarded to the management of the respective districts for follow-up. Such reports will be submitted to the Head of Department for scrutiny in due course.

(2) Hirers of sports and recreation facilities are required to check-in with their original HKIDs at the SSSs or CIDs installed at leisure venues in person. Any person who, without lawful authority or reasonable excuse, uses or has the custody or is in possession of another person's identity card commits an offence.

At present, some of the sports and recreation venues under the management of the LCSD are installed with closed-circuit televisions (CCTVs) cameras to deter illegal activities and monitor the venues. CCTVs in some of

these venues cover the vicinity of the SSSs or CIDs. However, CCTVs can capture a large number of images of individuals or their personal data and the vast majority of the hirers are law-abiding. In order to avoid excessive collection of personal data, the LCSD has also adopted other methods that do not involve privacy concerns to effectively monitor the use of the venues by the hirers. These include arranging venue staff to carry out random inspections of the signers' HKIDs at the SSS or CIDs to verify whether they are the actual hirers of the facilities.

Venue staff will, from time to time, inspect whether the hirers are using the facilities at the venue during the booked sessions. If it is found out that the hirers are not using the facilities at the venue during the booked sessions, or if there is sufficient evidence to prove that the hirers have transferred the user permits in breach of the Conditions of Use, the LCSD will follow up in accordance with the established mechanism.

(3) Information on the investigation cases related to touting in the past five years is set out below:

	2020	2021	2022	2023	2024 to present
(i) Number of investigation cases#	90	740	232	177	130
(ii) Cases with penalties awarded#	0	2	0	2	13

#Note: The investigation cases only include those referred through the 1823 system, brought up by the Office of The Ombudsman or reported directly by members of the public by letters or e-mails to venue staff for investigation and penalty. There are no prosecution or successful conviction cases for touting in the past five years. Besides, the LCSD is analysing the booking patterns of hirers through the SmartPLAY booking system data to identify suspected touting activities.