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A submission by the International Federation of the Phonographic Industry (Hong Kong Group) Limited to Legislative Council, Bills Committee on Karaoke Establishments Bill

The International Federation of the Phonographic Industry (Hong Kong Group) Limited is a National Group of the IFPI and represents the Hong Kong recording industry, with 54 record company members. We the IFPI Hong Kong Group would like to submit our views in respect of the above subject matter on behalf of our members and the Recording Industry as set out in this document for your consideration.

BACKGROUND

1. Karaoke Establishment Bill has now been introduced to Legislative Council in response to the major fire at the Top One Karaoke in January 1997 which killed 17 persons.
2. The Bill, if it comes into law, would bring all karaoke establishments under the control of a licensing scheme.
3. The licensee will be required to meet with the prescribed fire safety building safety, public safety and health requirement.
4. No doubt, the Recording Industry plays a very vital role in supplying the songs for use in the Karaoke Establishments. The local Recording Industry has invested heavily in bringing this karaoke sub-culture into Hong Kong in the past 2 decades. Karaoke has now become one of the most favoured leisure for the people in Hong Kong. The Recording Industry also uses the Karaoke Establishments as one of the venues for the promotion of artistes and new songs, in particular when Hong Kong still remained the prime mover of Cantonese Repertoire that penetrates to all Chinese communities the world over. Any act or thing done which would affect the business of Karaoke would invariably affect the future direction of the Record Industry.
5. IFPI (Hong Kong Group) which represents the interest of local record industry would like to express the following views and observations on this Bill.

COMMENTS AND OBSERVATIONS

1. We do support that Karaoke Establishment shall comply with all necessary and adequate measures on fire safety building safety, public safety and health requirements.
2. However the exemption provisions under section 3 of the Bill is not clear, which would, arguably, bring the recording studios, rehearsal halls, film dubbing rooms, production house for movie and record companies etc. under

the definition of Karaoke Establishment, which could not possibly be the intent of the legislation.

3. It is therefore desirable that there must be a clearer definition to exclude such premises which are clearly not involved or otherwise used for the purpose of what we understand the nature of the business of the Karaoke Establishments.
4. We share the view taken by the consultant of the Business and Services Promotion Unit of the Commerce and Industry Bureau that more flexibility to phase in the safety regulations is desirable during the transition period in order to assist Karaoke Establishment to spread the cost of upgrading work to meet the statutory requirements over a longer period of time.
5. It would seem to be unfair to those Karaoke Establishments as the new law will deprive their chance of continuing the business which is contrary to their reasonable expectation to run such business. The expectation arises from the fact that, before the bill comes into law, they have invested into these legitimate business which have been allowed under different ordinances such as Public Health and Municipal Services Ordinance or the Hotel and Guesthouse Accommodation Ordinance or the Clubs (Safety of Premises Ordinance) and the relevant licence has been granted by the Government Department.
6. We are pleased to learn that the Licensing Authority will adopt a pragmatic approach in enforcing the licensing conditions and in particular those which have been in operation under the licence granted by the other Government Departments. We trust that pragmatic approach includes realistic approach so that any financial implication and impact to the existing Karaoke Establishments would be minimised and that the statutory requirements for safety are practicable and financially feasible to the investors of these Karaoke Establishments.

IN SUMMARY

We form the views that the public safety is the prominent factor in this Bill, however, the licensing authority must give flexibility to the existing Karaoke Establishments when considering their application. There is no reason why those which have been allowed to operate under different statutory regimes should not be allowed a longer period for compliance. Exemption to those premises which are clearly not for the purpose of the nature of the business of Karaoke Establishments should be spelt out clearly in the Bill in order to avoid the grey area, which would, otherwise, lead to unnecessary litigations.

We thank the Bills Committee in considering our views.

International Federation of the Phonographic Industry (Hong Kong Group) Limited

**LETTERHEAD OF INTERNATIONAL FEDERATION OF THE PHONOGRAPHIC
INDUSTRY [HONG KONG GROUP] LIMITED**

19th March, 2001

Bills Committee on Karaoke Establishments Bill
The Legislative Council

Dear Sir/Madam,

Re: Karaoke Establishments Bill

On behalf of members of the IFPI (Hong Kong Group) Ltd, I wish to present our submission on the captioned subject.

We would be pleased to answer any queries in respect of our submission.

Thank you for your kind attention.

Yours truly,

For and on behalf of International Federation of the
Phonographic Industry (Hong Kong Group) Limited

Ricky Fung
Chief Executive Officer