

For Information  
On 7 January 2002

Paper No. CB(2)797/01-02(12)

## **LEGISLATIVE COUNCIL**

### **Second Bills Committee Meeting on Travel Agents (Amendment) Bill 2001**

#### **INTRODUCTION**

This paper outlines the regulatory mechanism used by the Travel Industry Council of Hong Kong (TIC) to handle complaints against inbound travel agents and to ensure service standards.

#### **REGULATORY MECHANISM OF THE TIC**

##### Entry requirements as a member

2. One of the requirements under the Travel Agents (Amendment) Bill 2001 (the Bill), is that an inbound travel service provider will need to obtain membership of the TIC in order to qualify for a travel agent's licence. There are two categories of membership, ordinary or affiliate, each with its own business requirements set by the TIC.

3. These requirements essentially set standards for the business operation with regard to the minimum amount of capital, financial position, staff experience, identifiable office premises, the scope of business (restricted to travel-related and tourism only), whether they are honest and respectable businessmen and are otherwise fit and proper persons.

4. The detailed requirements for membership are set out in Articles (2) and (3) of the Articles of Association of the TIC (the Articles). A copy of the Articles is at Annex A.

Annex A

### Pledge of service quality

5. Upon admission, a TIC member is required to pay \$2,000 as a contribution to a Bonding Fund as a pledge of their service quality. The Bonding Fund is used to pay restitution to inbound and outbound travellers if a travel agent is found to have provided poor levels of service to its clients. It will then recover the amount back from the travel agents. In 2001, \$22,233 has been paid out. The Fund now stands at \$9.3 million.

### Obligations of a TIC member

6. Once admitted into the TIC, a member is obliged to comply with the TIC's Articles and other rules and regulations. Among these rules and regulations, the most important are the Codes of Conduct for Members. These regulate the conduct and business practices of travel agents. At present, the TIC has promulgated four codes –

- (a) General Code of Conduct for TIC Members;
- (b) Code of Business Practice on Outbound Package Tours;
- (c) Code of Advertising Practice for TIC Members; and
- (d) Code of Business Practice on Inbound Package Tours.

### Annex B

7. A copy each of the above codes (a) to (d) are at Annexes B(a)-B(d) respectively.

8. Apart from the above codes, the TIC will also issue from time to time directives. These directives are binding upon all TIC members and serve the same purposes as the codes.

### Discipline and penalties

9. TIC members are subject to discipline and penalties if they do not comply with the requirements under the Articles, the Codes or directives. The TIC may warn or fine a member and in serious cases, suspend or even revoke

membership of the TIC. This in turn will affect the business licences.

10. Article 11 of the Articles details the provisions for the termination of membership and other penalties.

## **MECHANISM OF HANDLING COMPLAINTS**

### Consumer Relations Committee (CRC)

11. The TIC receives and handles complaints against travel agents. On receipt of a complaint from a traveller/visitor that involves claims for compensation, its Executive Office will examine the case and where applicable, liaise with the travel agent concerned to agree on a settlement acceptable to both parties. Where a settlement cannot be reached or is not acceptable to either party, the case will be brought to the CRC.

12. The CRC is one of the standing committees under the TIC's Board of Directors charged with the responsibility to handle the disputes between consumers and travel agents. Like all TIC's committees, each year, after TIC's AGM in November, the TIC Board of Directors will appoint a convenor of the CRC who in turn will nominate others to serve as members for one year. The nominations need to be considered and endorsed by TIC's Board of Directors. It makes an independent adjudication on consumers' claims against travel agents. The committee comprises a director of the TIC as convenor and 14 other members. Seven are members of the trade while the other seven are non-trade community leaders, professionals of good standing or distinguished personalities. A list of the CRC members is at Annex C. The CRC holds meeting every 2 months. Its quorum is fixed at five, with at least two members from the trade and two others from the non-trade sectors. The CRC's adjudication is binding on the member travel agents, but not on travellers/visitors. Travellers/visitors not satisfied with the CRC's decision may however seek redress of their own through legal action.

Annex C

13. For complaints lodged by inbound visitors, the TIC's Executive Office will, upon receipt of the complaint, contact its member travel agent concerned for an investigation and if applicable, settlement. From experience, most of the cases can be settled at this stage. Hence, all cases handled in the CRC so far related to outbound travel only. In 2001, 70 cases of travellers' complaints have been handled by the CRC and 41 cases determined to justify compensation. The compensation granted to travellers by travel agents ranges from \$30 to \$3,500 per traveller.

## **ENFORCING THE CODES OF CONDUCT**

### Compliance Committee (CC)

14. The CC is another standing committee under TIC's Board of Directors responsible for handling cases involving breaches of the TIC's Articles, codes of conducts and directives. Cases that have been heard in the CRC may be further referred to the CC if it is found that these cases involve malpractice or breaches of the codes or the directives. The Executive Office may also detect such breaches in the course of its surveillance, and from advertisements or reports in the media or its regular contacts within the trade.

15. The CC is convened by a director and comprises 9 other members from the TIC Board. A list of the CC members is at Annex D. The quorum is fixed at five. The CC will administer reprimand or impose other penalties such as fines against the members. Under the TIC Articles, a member may be fined up to \$10,000 on the first occasion, \$50,000 on the second occasion and \$100,000 on the third and subsequent occasions. In case of serious breaches, the CC may also recommend to suspend or revoke a membership. All cases of non-compliance will be published in "the Voice of the TIC", a quarterly publication of the TIC. Travel agents aggrieved by the decision of the CC may appeal to the Appeal Board comprising three independent non-trade members appointed by Government and two TIC directors. In 2001, 53 cases have been examined by the CC and all have been substantiated. The penalties imposed range from warning to \$10,000 per case. A table summarizing the cases and the penalties imposed is at Annex E.

Annex D

Annex E

### Investigation

16. Where a member is suspected of having violated a material part of the Articles or the Codes of Conduct or the prevailing directives, the TIC may conduct an investigation in respect of that member's business.

## **ENSURING SERVICE STANDARD OF INBOUND TRAVEL AGENTS**

### Code of Business Practice on Inbound Package Tours

17. The Code of Business Practice on Inbound Package Tours at Annex B(d) requires all TIC members operating inbound package tours to conclude contracts with their overseas counterparts on a wide range of issues that are frequently subjects of complaints by inbound visitors. These issues are related to hotel accommodation, means of transportation, details of itinerary, meals and dining places, shopping arrangements, service charges, etc. TIC members are required to observe this code and other codes mentioned in paragraph 6 above and other relevant directives to ensure service standard.

18. The TIC has undertaken to strengthen its code for inbound tours in the light of future operational experience. Recently, in view of the fact that inbound travel agents are receiving an increasing number of Mainland visitors, TIC has issued a circular to its members setting out the new requirements to regulate the treatment of the Mainland tour groups, e.g. signing an agreement with TIC to guarantee that they will abide by the laws of Hong Kong and TIC's Code of Conduct, drawing up detailed itinerary with their Mainland counterpart and forbidding changes without consent of travellers etc. Those who fail to comply with the requirements may be disciplined by TIC and may be suspended from receiving such tour groups. A copy of this circular is at Annex F.

Annex F

### Certification System for Tour Guides

19. Parallel to the legislative amendment, TIC, together with concerned parties, is devising a training and certification system for tour guides

modeling on that for outbound tour escorts. In future, only those who have completed the prescribed courses and passed the required examination will be eligible to apply for a certificate and only those with a certificate will be able to serve as inbound tour guides. Through such training and certification system, the service and skills of tour guides could be improved and maintained. The Skills Upgrading Scheme Steering Committee has also recently approved the inclusion of the training scheme for tour guides under the Skills Upgrading Scheme. The training courses will commence around the middle of 2002.

## **CONCLUSION**

20. Members are invited to note the information contained in this paper.

**Economic Services Bureau**

**January 2002**

香港旅遊業議會

**MEMORANDUM**

**AND**

**ARTICLES OF ASSOCIATION**

**(As amended by Special Resolution passed on the 28th day of August, 1997)**

**OF**

**TRAVEL INDUSTRY COUNCIL OF HONG KONG**

Incorporated the 30th day of July, 1988.

Reprinted in November, 1997

# ARTICLES OF ASSOCIATION

of

## TRAVEL INDUSTRY COUNCIL OF HONG KONG

(香港旅遊業議會)

### PRELIMINARY

1. The number of Members with which TIC registers on 15th November 1995 is 1,300 but the Board may from time to time register an increase of Members.
2. (1) In these Articles, where the context admits, the following words bear the meanings set opposite them:-

<u>Words</u>	<u>Meanings</u>
Amendment Ordinance	The Travel Agents (Amendment) Ordinance 1993 (Ordinance No. 51 of 1993).
Articles	These Articles as from time to time altered by special resolution.
Association Admitted After Incorporation	Hong Kong Outbound Tour Operators' Association Limited (香港外遊旅行團代理商協會有限公司) and Hongkong Japanese Tour Operators Association Limited (香港日本人旅客手配業社協會)。
Association Members	(i) Those Old Associations which become Members of TIC and (ii) those New Associations which are admitted to membership of TIC, and remain Members.
Association Member's Chairman	The person who is from time to time the chairman for the time being of an Association Member.
Board Elected Directors	The persons who are Board Elected Directors in accordance with Article 50(3) (a), (c) or (d).
Code of Conduct	The codes of practice or conduct promulgated from time to time by the Board and as amended by the Board from time to time.

Controller	In relation to a body corporate, means the person who controls the body corporate and includes any person in accordance with whose directions or instructions the directors thereof are accustomed to act.
Council Levy	The levy payable under Section 32I of the Amendment Ordinance.
Elected Directors	The Member Elected Directors and the Board Elected Directors (which Board Elected Directors shall be replaced by Member Elected Directors in accordance with the provisions of Article 50(2)(f)).
Financial Secretary	The Financial Secretary of the HongKong Government or a public officer appointed by him.
Fit and Proper Person	See Article 2 (3).
Fund Levy	The levy under Section 32H of the Amendment Ordinance which TIC is to collect as authorized collector under Part III A of the Amendment Ordinance.
Member	A member of TIC.
Member Elected Directors	The persons who are Member Elected Directors in accordance with Article 50(2)(c) or (e).
New Association	An association, other than an Old Association and Association Admitted After Incorporation, which meets the criteria referred to in Article 4 (1) (b).
Old Association	The Federation of Hong Kong Chinese Travel Agents Limited (香港華商旅遊協會有限公司); Hong Kong Association of China Travel Organizers Limited (香港中國旅遊協會有限公司); International Chinese Tourist Association Limited (國際華商觀光協會有限公司); Hong Kong Association of Travel Agents Limited (香港旅行社協會有限公司); Society of IATA Passenger Agents Limited (國際航空協會旅行社商會有限公司) and Hongkong Taiwan Tourist Operators Association Limited (港台旅行社同業商會有限公司)。
The Association	The existing unincorporated body known as "The Travel Industry Council of Hong Kong (香港旅遊

業議會) ”。

The Board	The Board of Directors for the time being of TIC referred to in Article 45.
The Fund	The Travel Industry Compensation Fund (旅遊業賠償基金) established under Section 32C of the Amendment Ordinance for payment in accordance with Section 32G of the Amendment Ordinance.
The Ordinance	The Companies Ordinance, Chapter 32 and any statutory modification or re-enactment thereof for the time being in force.
The Register	The Register of Members of TIC.
The Registrar	The Registrar of Travel Agents appointed under Section 5 of the Travel Agents Ordinance, Chapter 218 as amended from time to time.
The Seal	The Common Seal of TIC.
The Secretary	Any person appointed to perform the duties of the Secretary of TIC.
The Treasurer	Any person appointed to perform the duties of the Treasurer of TIC.
TIC	Travel Industry Council of Hong Kong (香港旅遊業議會)。
TICBF	The company known as TICBF limited, a company incorporated in Hong Kong.
TIC Bonding Fund	The fund referred to in the Third Clause sub-clause (j) of the Memorandum and Articles of Association of TICBF Limited (a company limited by guarantee incorporated in Hong Kong with limited liability).
TICF Management Board	The Travel Industry Compensation Fund Management Board established by Section 32B of the Amendment Ordinance.
Travel Agent	Includes tour operator and retail passenger agent.

(2) Expressions denoting writing shall, unless the contrary intention appears,

be construed as including references to printing, lithography, photography, and any other mode of reproducing words in a visible form; words importing the singular number only shall include the plural number and vice versa; words importing the masculine gender only shall include the feminine and neuter genders; and words importing individuals shall include corporations.

- (3) For the purposes of determining whether any person is a Fit and Proper Person under Articles 4 (2) (h), 4 (3) (h) and 11, the Board, the Appeal Board or the Registrar shall have regard to the question of whether that person:-
- (a) has been convicted, whether in Hong Kong or elsewhere, of an offence the conviction for which necessarily involved a finding that he acted fraudulently, corruptly or dishonestly;
  - (b) has been convicted of an offence against any provision of the Travel Agents Ordinance;
  - (c) in the case of an individual is an undischarged bankrupt, has entered into a composition or scheme of arrangement with his creditors or has made an assignment of his estate for the benefit of his creditors;
  - (d) in the case of a body corporate is in liquidation or the subject of a winding up order, a receiver or manager of its property has been appointed, has entered into a composition or scheme of arrangement with its creditors or has made an assignment of its estate for the benefit of its creditors;
  - (e) has been an owner or controlling shareholder, or director or controller of or a partner in a business which has failed to meet its liabilities;
  - (f) has been guilty of conduct which renders him unfit to be a Member; or
  - (g) is otherwise not a fit and proper person.

Subject as aforesaid, unless the context otherwise requires expressions contained in these Articles shall bear the same meanings as in the Ordinance or any statutory modification thereof in force at the date at which these Articles become binding on the Association.

### **MEMBERSHIP GENERALLY**

3. (1) Each Member shall carry on business within Hong Kong.
- (2) There shall be three classes of Members, namely:- Association Members, Ordinary Members and Affiliate Members, whose membership of TIC shall be recorded in separate sections of the Register. A Member may be an individual, or a partnership, or a corporation.

- (3) The rights and privileges of a Member shall be personal to that Member, the members of the relevant firm or the corporation as the case may be, and shall not be transferable.
- (4) The Board shall be entitled in their absolute discretion to waive certain of the qualifications for membership to enable an individual or a partnership or a corporation who or which does or do not meet all the qualifications laid down for Ordinary or Affiliate Membership to become eligible for and to be admitted to Ordinary or Affiliate Membership of TIC as the case may be.

## **QUALIFICATIONS AND RESTRICTIONS**

### **Association Members**

4. (1) Association Members shall be
  - (a) the subscribers to these Articles and those Associations Admitted After Incorporation; and any of the aforesaid which meet or have undertaken to the satisfaction of the Board to meet the criteria laid down in paragraph (1)(b)(v) and (vi) of this Article 4; and
  - (b) any other New Association which meets the following criteria:-
    - (i) it is a company which is incorporated in Hong Kong;
    - (ii) its membership is restricted to travel agents, tour operators and retail passenger agents;
    - (iii) its primary objectives must:-
      - (aa) be, in the opinion of the Board, for the benefit of the travel industry;
      - (bb) cover an area for which, in the opinion of the Board, there is a specific need and neither such need nor such objectives are already covered either individually or collectively by the Association Members;
  - (iv) it has not less than 100 Ordinary Members of TIC. Should the membership of any Association Member after becoming an Association Member fall to below 50 Ordinary Members of TIC, the Board may consider expelling or revoking the Association Member's membership provided however, the Board or its authorized representative shall give two months prior notice to the Registrar prior to such expelling or revoking of the Association Member's membership;

- (v) its criteria for membership is such that any of its members who wish to become members of TIC will automatically meet or better the criteria for membership of the appropriate class in TIC laid down from time to time by TIC.
- (vi) its articles of association must be approved by the Board of TIC and must contain all such matters as the Board shall from time to time direct including, but not limited to the following:-
  - (aa) none of the articles shall be changed in any way save with the prior written consent of the Board of TIC and in accordance with that consent;
  - (bb) its chairman or its representative who is appointed in accordance with Article 47(2)(a) hereof on the Board of TIC shall at all times be an Ordinary Member of TIC. For this purpose the Chief Executive of the Ordinary Member who is registered with TIC and who is deemed to be the Member of TIC, pursuant to Article 49 hereof, or an executive director of the Ordinary Member who has the authority of the chief executive to become the chairman of the Association Member and who is registered with TIC as aforesaid instead of the chief executive, shall be deemed to be the Ordinary Member;
  - (cc) a person whose application for membership of the association is refused or rejected or a member who is expelled or suspended from membership of the association shall have the right to appeal to the Appeal Board of TIC and such person or the association shall, provided the matter falls within Article 12 of the Articles of TIC have the right to appeal to the Registrar;
  - (dd) the association, its council and its members shall all be bound by the decision of the Appeal Board or of the Registrar;
  - (ee) the chairman of the association or its representative who is appointed in accordance with Article 47(2)(a) hereof shall automatically vacate his office if he shall for any reason, including removal, vacate the office of a member of the Board of TIC in accordance with Article 56 hereof;
  - (ff) any person who is not a member of TIC shall be ineligible to become a member of the Executive Committee of an Association Member;
  - (gg) The Chairman, Deputy Chairman, Honorary Secretary or

Honorary Treasurer of an Association Member shall not at any time also be the Chairman, Deputy Chairman, Honorary Secretary or Honorary Treasurer of another Association Member.

### **Ordinary Members**

- (2) An Ordinary Member shall be a limited company which meets the criteria laid down in sub-paragraphs (a) - (h) hereof unless and to the extent that such criteria is waived pursuant to Article 3 (4):-
- (a) it is a company which has been incorporated in Hong Kong or is an overseas company which is registered as such with the Companies Registry in Hong Kong pursuant to Part XI of the Ordinance;
  - (b) its only business shall be travel-related and tourism;
  - (c) it is a member of an Association Member;
  - (d) it has a paid-up capital of not less than HK\$300,000 plus a further HK\$150,000 for each branch office from which it conducts its travel-related and tourism business; and it shall be given 2 years as from notice to be given to increase its paid-up capital to not less than HK\$500,000 plus a further HK\$250,000 for each branch office. In relation to any application for Ordinary Membership made on or after 12th May 1994, the applicant shall have a paid-up capital of not less than HK\$500,000 plus a further HK\$250,000 for each branch office from which it conducts its travel-related and tourism business;
  - (e) its financial position is considered by the Board to be sound;
  - (f) it employs at each premises from which it conducts its travel-related and tourism business at least:-
    - (i) a manager who has within 5 years prior to any point in time during his employment had at least two continuous years' relevant practical experience; and
    - (ii) one other member of staff who is employed full time in the operation of such business.
  - (g) it conducts its travel-related and tourism business within separate and independent commercial premises/buildings which are easily identified as being used solely for the travel-related and tourism business and which are approved by the Membership Committee of TIC. The agent's premises must not be an "office within an office" i.e. an office located within the agent's parent/affiliate/holding company's or another company's office

premises. Exception may be granted to:-

- (i) a branch office of a member agency inside a licensed hotel.
- (ii) a branch office operated inside a department store provided that
  - the area is well-defined and partitioned off for the exclusive use the agent, and
  - the agent and the department store is not owned by the same proprietor company; and
- (h) its controllers, directors, principal shareholders, secretary of officers or any person employed or concerned in the management of its travel-related and tourism business and each of them are respectable and honest businessmen and are otherwise Fit and Proper Persons.

### **Affiliate Members**

- (3) An Affiliate Member shall be a person who meets the criteria laid down in sub-paragraphs (a) - (i) hereof unless and to the extent that such criteria is waived pursuant to Article 3 (4).
  - (a) He is either
    - (i) a sole proprietorship or partnership or
    - (ii) a limited company which has been incorporated in Hong Kong or is an overseas company which is registered as such with the Companies Registry in Hong Kong pursuant to Part XI of the Ordinance and whose only business shall be travel-related and tourism.
  - (b) He is a member of an Association Member;
  - (c) In the case of a company, it has an issued paid-up capital of not less than HK\$50,000 and it shall be given 2 years as from notice to be given to increase its paid-up capital to HK\$150,000. In the case of an application for membership made after 13th August 1992, the applicant shall have an issued paid up capital of HK\$150,000. In the case of a sole proprietorship or partnership, he has obtained and lodged with TIC a bond, guarantee or other form of security acceptable to the Board in the sum of HK\$50,000 and he shall be required to increase the said sum to \$150,000 two years as from notice to be given. In the case of an application for membership made after 13th August 1992, the sum shall be HK\$150,000 or such other amount as the Board may from time to time decide in favour of TIC. Any moneys which are paid under such bond, guarantee or other form of

security as aforesaid shall be paid to TIC which shall pay the same to such Affiliate Members' Trustee in Bankruptcy or, if such Affiliate Member is not adjudged bankruptcy within 3 months of the date on which TIC issues a demand for payment under such bond, guarantee or other form of security, into the TIC Bonding Fund.

- (d) His financial position is considered by the Board to be sound.
  - (e) He shall not have any branch office.
  - (f) He employs at the premises from which he conducts his travel-related and tourism business at least:
    - (i) a manager who has within 5 years prior to any point in time during his employment had at least two consecutive years' relevant practical experience; and
    - (ii) one other member of staff who is employed full time in the operation of such business.
  - (g) He conducts his travel-related and tourism business within separate and independent commercial premises/buildings which are easily identified as being used solely for the travel-related and tourism business and which are approved by the Membership Committee of TIC. The agent's premises must not be an "office within an office" i.e. an office located within the agent's parent/affiliate/holding company's or another company's office premises.
  - (h) His partners or any person employed or concerned in the management of his travel-related and tourism business and each of them are respectable and honest businessmen and are otherwise Fit and Proper Persons.
  - (i) He is a respectable and honest businessman and is otherwise a Fit and Proper Person.
- (4) None of the criteria laid down in each of Articles 4(1), (2) and (3) shall be altered except with the approval of the Financial Secretary.
- (5) An Affiliate Member shall:-
- (a) not register, or organise or operate a tour;
  - (b) be ineligible to be an Elected Director or an Association Member's Chairman or representative or otherwise to serve on the Board;
  - (c) be subject to such other restrictions as the Board may impose from time to time in its absolute discretion.

## FEES

5. (1) (a) Every New Association which is admitted to membership of TIC shall pay an entrance fee which shall be calculated at the rate of HK\$1,000 for each member of the New Association on the date on which the notice referred to in Article 5(2)(a) is posted or delivered to such New Association. The amount of the entrance fee may at any time and from time to time be altered by the Board with the written approval of the Financial Secretary.
- (b) Every Ordinary and Affiliate Member whose application for membership is submitted on or after 1st April 1996 shall pay an application fee equivalent to 3 times the annual subscription payable by the member on the date on which the notice referred to in Article 5(2)(a) is posted or delivered to such Member. The amount of the application fee may at any time and from time to time be altered by the Board with the written approval of the Financial Secretary.
- (2) (a) Immediately upon the admission of a candidate to membership notice thereof shall be given to him, and he shall be furnished with a copy of the Memorandum and Articles, the Code of Conduct and of all rules and by-laws of TIC and a request to remit to the banker or Treasurer of TIC within one month from the date of such request the amount of his application fee (if any), entrance fee (if any), the first annual subscription and the contribution to TICBF (if any) referred to in Article 7 (2). Upon payment of his application fee (if any), entrance fee (if any) and first annual subscription and the contribution to TICBF (if any) he shall become a Member of TIC and be entitled to all the benefits and privileges of membership and be bound by these Memorandum and Articles, (subject to Article 3 (4)), the Code of Conduct and all rules and by-laws of TIC.
- (b) If all fees, subscriptions and contributions referred to in Article 5 (2) (a) be not paid within one month from the date of such request as aforesaid, the admission of such candidate shall be void, unless he shall satisfy the Board that the delay in payment was due to absence from Hong Kong or other sufficient cause.
- (3) (a) The fees payable to the Association in respect of the following matters shall be as proposed by the Board and approved by the Financial Secretary:-

Notification of a change of address of a head or branch office.

Notification of change of name of any Member.

Application for any additional or replacement copy of a

membership certificate.

Application for continuation of membership pursuant to Article 8 (7) (a) (i).

Application for renewal of membership pursuant to Article 8 (7) (b) (i).

- (b) Each such application or notification shall be accompanied by a remittance of the amount of the appropriate fee, and neither TIC. nor the Board, nor any officer or servant of TIC shall be under any duty or liability to consider or determine any such application or give effect to any such notification unless so accompanied.
- (4) A fee which is payable pursuant to this Article shall not in any circumstance be repayable.

### **SUBSCRIPTIONS**

- 6. (1) Every Member shall pay an annual subscription as follows:-
  - (a) (i) Association Members - HK\$200 for each of its members who are also Members of TIC.
  - (ii) The first subscription of HK\$200 per member shall be payable by an Association Member following its admission as a Member, as and when its member is admitted to membership of TIC. Its subsequent subscription shall be due and payable on the 1st July in each year thereafter and shall be calculated in accordance with Article 6(1)(a) on the number of its members who are also Members of TIC on the immediately preceding the 30th June. Subject to sub-paragraphs (3) and (4) hereof the Association Member shall pay a further sum of HK\$200 for each new member who becomes a member of the Association Member after the 30th June but before the following 30th June. Such sum shall be payable by the Association Member when such new member becomes a Member of TIC.
- (b) (i) Ordinary Members-The annual subscription for Ordinary Members shall be proposed by the Board and approved by the Financial Secretary.
- (ii) The amount payable for each branch office shall be paid upon the opening of the office and, thereafter annually on the 1st July according to the number of such Ordinary Member's branch offices at that date. The fee payable for a branch office shall be paid in full irrespective of when such office is opened and there

shall not be any refund of any such fee upon the closing of any office or for any other reason whatsoever except in the circumstances set out in paragraph(2).

- (c) Affiliate Members-The annual subscription for Affiliate Members shall be proposed by the Board and approved by the Financial Secretary.
- (2) The Board may reduce proportionately all, but not some only, of the rates set out above as for the time being amended in relation to any particular year by way of refund or waiver as appropriate.
- (3) All subscriptions shall be payable by reference to the year commencing on 1st July and (except the first subscription of a new Member as provided in Article 5 (2) (a)) shall be due and payable in one sum on the 1st July in each year.
- (4) A Member who is admitted to membership on or after the 1st July in any year and before the 1st January in the next succeeding year shall upon admission pay the whole of the subscription for the then current year. A Member who is admitted to membership on or after the 1st January in any year and before the 1st July in that year shall pay one half of the subscription for the then current year.
- (5) The rates of subscription set out above may at any time and from time to time be altered by the Board with the written approval of the Financial Secretary.
- (6) If any Member shall fail to pay his subscription (or any fees payable therewith) on or before the 1st August next after the date upon which it falls due, notice shall be sent to him calling his attention thereto and, if he shall not pay the amount on or before the 1st September following, he shall forthwith cease to be a Member. If at any time he shall give to the Board a satisfactory explanation, he may in the discretion of the Board and upon payment of arrears, be readmitted to membership without payment of any entrance fee.

**PAYMENT OF FUND LEVY AND COUNCIL LEVY  
AND CONTRIBUTION TO TIC BONDING FUND**

- 7. (1) All applications for membership shall include an undertaking by or on behalf of the applicant to make payment of the Fund Levy and Council Levy in accordance with the Amendment Ordinance to TICF Management Board and TIC respectively.
- (2) Save as set out below, all Members shall upon their admission to membership pay to the banker or Treasurer of TIC in accordance with Article 5 (2)(a) the sum of HK\$2,000, or such other sum as the Board may from time to time decide as a contribution to the bonding fund operated and maintained by TICBF,

which sum shall be repaid to the Member without interest upon his ceasing for any reason to be a Member. The requirement for a Member to make such payment upon his admission as a Member shall not apply to:-

- (a) Association Members; and
- (b) those Ordinary Members or Affiliate Members who have made such payment before becoming admitted as a Member;

## **ADMISSION OF NEW MEMBERS AND OBLIGATIONS**

### **OF MEMBERS**

- 8. (1) (a) Each of the subscribers to these Articles shall upon satisfying the criteria referred to in Article 4 (1) (a) automatically become an Association Member.
- (b) (i) Any person, firm or corporation (including any New Association) may apply in writing for membership of TIC in the appropriate class or classes in such form accompanied by such information and documents as the Board shall from time to time prescribe, and the Board shall, provided the applicant meets the criteria for membership and pays all fees and subscriptions payable to TIC on membership, admit such person, firm or corporation to membership accordingly.
- (ii) TIC will, provided the applicant shall have supplied TIC meantime with all such information as TIC shall require, notify the applicant within the period set out hereafter either that his application has been approved and that he may subject to paragraph (i) hereof be admitted to membership or that his application has been rejected. If TIC fails to so notify the applicant within such time the application shall be deemed to have been rejected.

The period within which such notification shall be given by TIC shall be:-

(aa) for applications for Ordinary or Affiliate Membership, four months; and

(bb) for Association Membership, six months;

in each case, from the date of receipt by TIC of the application for membership.

- (iii) Except in the case of an application for Association Membership,

in the event of refusal or rejection (including a deemed rejection pursuant to sub-paragraph (ii) hereof) of any such application, the applicant may appeal in accordance with Article 12 to the Appeal Board and, by way of further appeal, to the Registrar.

- (c) There shall be no appeal to the Registrar against the refusal or rejection of an application for membership by an Old Association or a New Association and Articles 8(2) and 8(3) shall not apply to such associations.
  - (d) An Affiliate Member shall be a Member until the 30th June in each year while he is an Affiliate Member when he shall re-apply for admission as a Member in accordance with Article 8(1)(b). An Affiliate Member shall be ineligible to be an Elected Director or an Association Member's Chairman or representative on the Board or otherwise to serve on the Board and shall not be entitled to any share in the property of TIC upon the dissolution of TIC.
- (2) All applications for membership shall include an undertaking by or on behalf of the applicant that in the event of such application being refused or rejected, no proceedings shall be instituted in any Court of Law arising out of any objections made to such application by any person or body or by the Board to which application is made unless and until:
- (a) notice of appeal against the decision to refuse or reject an application for membership shall have been given by the applicant to the Appeal Board in accordance with Article 12 and the decision of the Appeal Board on such appeal shall have been notified to the parties or such appeal shall have been withdrawn or otherwise disposed of and;
  - (b) where applicable notice of appeal shall have been given to the Registrar in accordance with Article 12 and the decision of the Registrar on such appeal shall have been notified to the parties or such appeal shall have been withdrawn or otherwise disposed of.
- (3) Any applicant for membership whose appeal against refusal or rejection of his application for membership of TIC, or whose appeal against refusal or rejection of his application for membership of an Association Member, is either upheld by the Appeal Board or is rejected by the Appeal Board but is upheld by the Registrar on further appeal shall, provided he pays all fees and subscriptions payable to TIC on membership be admitted to membership of TIC.
- (4) Every Member of TIC shall be deemed to have covenanted with TIC to comply with these Articles and the Code of Conduct and all rules and by-laws of TIC for the time being applicable.

- (5) Every Member shall at all times during normal business hours with or without prior notice afford to any person authorised by the Chairman of the Board all facilities necessary to enable such person to inspect any premises upon which that Member carries on business and to satisfy himself that the same comply with these Articles, the Code of Conduct and all rules and by-laws of TIC for the time being applicable and shall supply all information necessary to enable such person to satisfy himself that all requirements as to staff and their qualifications are met and that the provisions of these Articles, the Code of Conduct and the rules and by-laws of TIC are being complied with.
- (6) (a) The Board may at any time by written notice to the Member, at the request of the Member or on the Board's own initiative either:-
- (i) upgrade to an Ordinary Member any Affiliate Member who in the opinion of the Board meets the criteria for an Ordinary Member; or
  - (ii) downgrade to an Affiliate Member any Ordinary Member who in the opinion of two-thirds of the members of the Board ceases to meet the criteria for an Ordinary Member but who meets the criteria for an Affiliate Member.
- (b) Membership subscriptions and any other fees which are payable in respect of such upgraded or downgraded membership, as the case may be, shall be payable as from the 1st July next following the upgrading or downgrading of the Member, as the case may be.
- (7) (a) (i) Subject to Article 8(7)(b)(i), Members shall within 14 days of the same occurring notify to the Board all changes in its shareholders or directors or controllers in the case of an Ordinary Member or, in the case of an Affiliate Member, all changes in partners or owners of the Member and shall apply to the Board for continuation of its Membership.
- (ii) Members shall supply to the Board all such information and documents as the Board may require for the purpose of deciding whether to grant the application.
- (iii) The Board may grant the application either unconditionally or subject to such conditions as it may think fit or may refuse to continue and terminate the Membership if the Board is of the opinion that any of the matters referred to in Article 11 apply in relation to the changes referred to in sub-paragraph (a)(i).
- (b) (i) Where there is a change in financial control of a Member whether as a result of any change or series of changes referred to in Article 8(7)(a)

or otherwise, the Membership of the Member shall terminate unless, the Member has prior to the date of the change in financial control notified the Board of the intended change in financial control and applied for and been granted a renewal of its membership.

- (ii) Members shall supply to the Board all such information as the Board may require for the purpose of deciding whether to grant the application.
  - (iii) The Board may grant the application either unconditionally or subject to such conditions as it may think fit or it may refuse the application if the Board is of the opinion that the Member does not, or will not following the change in financial control, meet the criteria for an Ordinary Member or, as the case may be, Affiliate Member or that any of the matters referred to in Article 11 apply in relation to the change in financial control referred to in sub-paragraph (b)(i).
  - (iv) For the purpose of this Article (7)(b) a change in financial control shall mean in relation to a sole proprietorship, a change in ownership, including the introduction of a partner; in the case of a firm a change in the identity of the partners who are for the time being entitled to a majority of its profits; and, in the case of a corporation a change in the identity of the controller or of the persons who are for the time being the beneficial owners of a majority of its issued share capital excluding any part thereof which neither as respects dividends nor as respects capital, carries any right to participate beyond a specified amount in a distribution.
- (c) In the event of a refusal of an application referred to in sub-paragraph (a)(iii) or (b)(iii), the applicant may appeal against such refusal to the Appeal Board and, by way of further appeal to the Registrar in accordance with Article 12.
- (8) (a) No Member shall publish a brochure unless such brochure complies in all respects with the directives made from time to time by the Board relating to such brochures, contains all such information as the Board may from time to time require to be included in brochures and specimens or copies thereof have been submitted to TIC for registration not less than 2 working days before publication. A member shall only publish a brochure which has been submitted to and registered by TIC as aforesaid and shall not publish any such brochure which has been amended unless copies of such amended brochure shall also have been submitted to TIC for registration as aforesaid. For this purpose a "brochure" shall mean any document which specifies the contents of a tour, holiday or other

travel arrangements.

- (b) The Board may in its absolute discretion decide the date upon which the matters referred to in paragraph (a) shall be implemented and may implement the same in such stages and on such dates as the Board shall determine and from time to time notify in writing to the Members.

## **ACCOUNTS RULES**

### **Form of Accounts**

- 9. (1) Every Member shall keep proper books of accounts with respect to:-
  - (a) all sums of money received and expended by the Member and the matters in respect of which the receipt or expenditure takes place;
  - (b) all sales and purchases of goods or services by the Members; and
  - (c) the assets and liabilities of the Member.
- (2) Every Ordinary Member shall cause to be prepared from time to time, a balance sheet and every Affiliate Member shall cause to be prepared from time to time accounts which shall be certified by the Member as correct showing a true and fair view of the state of affairs of the Member and a profit and loss account for the period ending on the date of such balance sheet or certified accounts. Such balance sheet or certified accounts shall be prepared as at the date which shall not, without the leave of the Board be more than twelve months after the date of the previous balance sheet or (if later) the date on which the Member becomes a Member of TIC.

## **CODES OF CONDUCT**

- 10. (1) The Board shall prepare a Code of Conduct which it considers to be suitable for regulating the conduct and business or other practices of travel agents.
- (2) Upon any such Code of Conduct being approved by the Board, it shall be promulgated by the Board and shall thereupon become binding upon the members of TIC.
- (3) The Board may, at its discretion, approve any addition to, or modification of, any Code of Conduct for the time being in force by having two-third or more of the Board members present (excluding the Immediate Past Chairman) voting in favour of such addition or modification. Such addition or modification shall be promulgated by the Board, and shall thereupon become binding upon Members.

## TERMINATION OF MEMBERSHIP AND OTHER PENALTIES

11. (1) The Board may if it thinks fit terminate the membership of a Member:-
- (a) in the case of a sole proprietor:-
    - (i) upon his death; or
    - (ii) if a receiving order in bankruptcy is made against him; or
    - (iii) if he enters into a composition or scheme of arrangement with his creditors or he makes an assignment of his estate for the benefit of his creditors;
    - (iv) (aa) if he is convicted, whether in Hong Kong or elsewhere, of an offence the conviction for which necessarily involved a finding that he acted fraudulently, corruptly or dishonestly; or
    - (bb) if any employee is so convicted;
    - (v) he becomes a mentally disordered person or patient as defined in Section 2 of the Mental Health Ordinance; or
  - (b) in the case of a firm:-
    - (i) if a receiving order in bankruptcy is made against:-
      - (aa) the firm or against all of the partners thereof; or
      - (bb) any partner therein;
    - (ii) (aa) if the firm or all of the partners thereof enter into a composition or scheme of arrangement with it or their creditors or it or they make an assignment of its or their estates for the benefit of its or their creditors; or
    - (bb) if any partner therein enters into such a composition or scheme or makes such an assignment;
    - (iii) (aa) if the partners are convicted, whether in Hong Kong or elsewhere, of an offence the conviction for which necessarily involved a finding that they acted fraudulently, corruptly or dishonestly; or
    - (bb) if any partner or employee of the firm is so convicted; or
  - (c) in the case of a corporation
    - (i) if the Member goes into liquidation (not being voluntary liquidation

for the purpose only of reconstruction or amalgamation) or has a receiver appointed of its undertaking or any part thereof; or

- (ii) if the Member enters into a composition or scheme of arrangement with its creditors or it makes an assignment of its estate for the benefit of its creditors; or
  - (iii) if any director, controller or officer of the corporation is convicted, whether in Hong Kong or elsewhere of an offence the conviction for which necessarily involved a finding that he acted fraudulently, corruptly or dishonestly; or
- (d) if the Registrar refuses to grant the Member a travel agents licence under the Travel Agents' Ordinance or if such a licence is revoked or suspended by the Registrar; or
- (e) (subject to paragraph (8)), if the Member ceases to fulfil all the conditions and qualifications for Membership of TIC; or
- (f) if in the opinion of the Board any change has occurred in the status, nature or condition of any Member, or of a partner in a firm which is a Member or of a director, Controller or officer of the corporation which is a Member which unfits him or such firm or corporation to continue as a Member; or
- (g) if the Member or a partner in a firm which is a Member or a director, Controller or officer of the Member which is a corporation fails to observe or materially contravenes any of the provisions of these Articles or the Code of Conduct or any of the lawful rules or regulations of TIC for the time being in force or is guilty, in the opinion of the Board, of conduct which unfits him or the firm or corporation of which he is a partner or director or controller or officer to continue as a Member; or
- (h) if the Member or a partner in a firm which is a Member or any director, Controller or office of a corporation which is a Member cannot in the opinion of the Board meet his liabilities; or
- (i) if the Board is of the opinion:-
    - (i) in the case of a Member other than a Member which is a body corporate that:-
      - (aa) the Member, or any partner thereof, is not a Fit and Proper Person to carry on business as a travel agent; or
      - (bb) any person in Hong Kong responsible or proposed to be responsible for the management of the business of the travel agent or any part

thereof is not a Fit and Proper Person to be associated with the business of a travel agent;

(ii) in the case of a Member which is a body corporate that:-

(aa) the Member is not a Fit and Proper Person to carry on business as a travel agent; or

(bb) any director or Controller or secretary or officer of such body corporate is not a Fit and Proper Person to be associated with the business of a travel agent;

(j) the premises from which the Member carries on business as a travel agent or the situation thereof are not, in the opinion of the Board, suitable for the carrying on of such business.

(k) if the Member has ceased carrying on the business of a travel agent.

(2) (a) The Board may terminate the membership of a Member summarily on the happening of any of the events referred to in sub-paragraphs (a) (i), (ii), (iii), (v), (b) (i) (aa), (ii) (aa), (iii) (aa), (c) (i), (ii) or (d) of paragraph (1) hereof.

(b) (i) Without prejudice to Article 11 (2) (a) and to the right of the Board to summarily suspend the membership of a Member pursuant to paragraphs (3) and (5) hereof, the Board may terminate the membership of a Member on any of the grounds set out in paragraph (1). Provided that the Board shall not terminate a Member's membership under this sub-paragraph (b) unless the Board first

(aa) gives notice in writing to the member of its intention and the ground upon which it proposes to terminate his membership; and

(bb) permits the Member to make representations to it.

(ii) Representations under sub-paragraph (b) (i) shall be made in writing and within 7 clear days from the date of notification under subparagraph (b) (i) or such greater period as is specified in the notice.

(c) A Member whose membership is summarily terminated pursuant to subparagraph (2) (a) or terminated pursuant to sub-paragraph (2) (b) may appeal against such termination but such membership shall remain terminated pending the hearing of the appeal which shall be heard without delay.

(3) (a) If the Board in the exercise of its powers under paragraph (2) of this Article should consider that termination of membership were an excessive penalty, then the Board may in the exercise of its absolute discretion, subject to the limits provided in sub-paragraph (b) below, fine any Member; and/or (without prejudice to the right of the Board to summarily suspend the membership of a Member pursuant to paragraph (5) hereof) suspend any Member from membership for a period not exceeding two years; and/or require from any Member such undertakings as to due compliance with these Articles and the Code of Conduct applicable to him as it may deem to be just; and/or administer a reprimand to any Member. In the event of a breach of any such undertaking being established to the satisfaction of the Board at any subsequent hearing convened on notice to the Member concerned giving details of such alleged breach, or in the event of any such fine not being received by TIC within the time stipulated by the Board for its payment then, unless the Member shall have given notice of appeal to the Secretary in accordance with Article 12 (3) (a) the Member's membership of TIC shall terminate thenceforth without further notice. Provided that the provisions of sub-paragraph (2) (b) hereof as they apply to the giving of a notice of a decisions to terminate shall apply mutatis mutandis to the decision to suspend and/or to fine a Member pursuant to this paragraph.

(b) The Board may fine a Member up to:-

(i) HK\$10,000 on the first occasion,

(ii) HK\$50,000 on the second occasion and,

(iii) HK\$100,000 on the third and any subsequent occasion, during any two-year period,

of any of the provisions of these Articles or the Code of Conduct or any of the lawful rules or regulations of TIC for the time being in force being contravened. The amount of such fines may at any time and from time to time be altered by the Board with the prior written approval of the Financial Secretary.

(4) In this Article 11, references to "the Board" shall include a committee of the Board consisting of not less than 5 members of the Board.

(5) (a) If the Board have reason to suspect

(i) dishonesty on the part of

(aa) a Member, or

- (bb) an employee of a Member, or
- (cc) where the Member is a body corporate, any Controller and any director, secretary or other officer

in connection with the carrying on of the Member's business; or

- (ii) that a Member
  - (aa) has ceased or is about to cease carrying on business as a travel agent; or
  - (bb) is about to go into liquidation or bankruptcy or to have a receiver appointed over it; or
  - (cc) does not intend or is unable or unwilling to perform services as advertised; or
  - (dd) cannot meet his liabilities; or
  - (ee) is about to enter into a composition with his creditors; or
  - (ff) is about to have his travel agent's licence under the "Travel Agents Ordinance" revoked or suspended by the Registrar; or
  - (gg) is carrying on his business as a travel agent contrary to the public interest; or
  - (hh) has failed to comply with a material part of these Articles, or the Code of Conduct or of any rules or by-laws including those relating to the use of franking machines, payment of moneys to the TICF Management Board and TIC or non-registration of brochures or non-compliance with directives from the Board in relation to brochures or the contents thereof;

the Board may conduct such investigation as it considers necessary in respect of that business.

- (b) For the purpose of an investigation of a business under sub-paragraph (5) (a) the Board may:-
  - (i) by notice in writing, require a person associated with the business
    - (aa) to produce to the Board or to such person as it may direct such documents relating to the business of the Member as are in the custody or under the control of that person;
    - (bb) to give the Board or to such person as it may direct all reasonable

assistance in connection with the investigation; and

- (cc) to attend before the Board or to such person as it may direct and to give evidence;
- (ii) receive such evidence as the Board or such person as it may direct considers relevant to the investigation whether or not it would be admissible in a court; and
- (iii) In this paragraph, "person associated" in relation to a Member includes:-
  - (aa) the Member;
  - (bb) any employee of the Member; or
  - (cc) in the case of a Member that is a body corporate, any Controller and any director, secretary or other officer thereof.
- (c) Any notice given by the Board under sub-paragraph (5) (b):-
  - (i) shall be signed by a Board member;
  - (ii) shall state the time when and the place where the person to whom the notice is addressed shall comply with any requirement stated in the notice;
  - (iii) shall be served on the person to whom it is addressed; and
  - (iv) may be served by post
- (d) A person given notice by the Board under sub-paragraph (5) (c):-
  - (i) shall comply with any requirement stated in that notice.
  - (ii) shall truly and fully answer questions put to him by the Board or by such person as it may direct; and
  - (iii) shall not knowingly furnish to the Board or to such person as the Board may direct, whether in pursuance of such requirement or otherwise, information that is false or misleading in a material particular.
- (e) The Board may, in its discretion, pay any witness giving evidence or attending to give evidence or produce books, papers or documents at any investigation under this section such sum for his expenses and loss of time as the Board may determine.

- (f) The Board may in respect of the conduct of an investigation under subparagraph (5) determine any form or matter of practice or procedure.
- (g) After conducting an investigation under sub-paragraph (5) in relation to the business of a Member as a Travel Agent the Board may order the Member to pay the whole or a specified part of the costs of, or incidental to, that investigation.
- (h) The Board may summarily suspend the membership of a Member:-
  - (i) if any person given a notice under sub-paragraph (5) (b) either does not comply therewith or breaches the provisions of sub-paragraph (5) (d); or
  - (ii) if, in the course of an investigation, the Board has reason to believe that it is in the public interest to do so, or that the Member has committed or is likely to commit fraud; or is likely or about to abscond; or that any of the matters set out in paragraph (5) (a) (ii) (aa) to (ee) (both inclusive) have occurred or are likely or are about to occur.
- (i) A Member whose membership is summarily suspended pursuant to subparagraph (5) (h) may appeal against such suspension but such membership shall remain suspended pending the hearing of the appeal which shall be heard without delay.
- (6) Any Member aggrieved by the termination or suspension of his membership under the above provisions of this Article may appeal in accordance with Article 12 to the Appeal Board, and except as provided in paragraphs (2), (3), (5) (a) (i) and (7), pending the determination of the appeal his membership shall not be terminated or suspended nor need any fine be paid.
- (7) In the event of any fine imposed by the Appeal Board not being received by TIC within fourteen days from the date upon which notification of the fine was given to the Member by the Appeal Board, the Member's membership of TIC shall terminate thenceforth without further notice.
- (8) If an Association Member shall cease for any reason to be a Member of TIC those members of that Association Member who are also Members of TIC shall remain members of TIC for a period of six months from the date when the Association Member ceased to be a Member of TIC. At the expiration of such six-month period those members of the former Association Member who are not members of another Member Association shall cease to be Members of TIC. The Board shall have the power to extend such six-month period where it is satisfied that an application for membership of another Association Member

has been made and is likely to be accepted but the processing of such application has not been completed.

- (9) On the cessation of membership for any reason whatsoever the former Member shall not be entitled to recover any part of his subscription paid for the current year and he shall forthwith return to TIC any Certificate or Diploma confirming his membership and any stereo of the symbol of TIC which may have been issued to him and all property of TIC in his possession and shall forthwith cease to display in any form whatsoever the symbol of TIC or any reference to his membership thereof.

### **APPEAL BOARD**

12. (1) The following shall be members of an appeal panel:-
- (a) Every Association Member's Chairman or its representative appointed in accordance with Article 47 (2) (a);
  - (b) All Elected Directors; and
  - (c) 5 persons, none of whom shall be a Member or have any financial interest in or be connected with a Member and each of whom shall be nominated by the Board and appointed by the Financial Secretary. Such persons in this sub-article (c) are referred to as "The Appointees".
- (2) (a) Every appeal shall be heard by an Appeal Board which shall be made up from the appeal panel. Every Appeal Board shall consist of 3 of The Appointees (one of whom shall be the Chairman of that Appeal Board) and 2 persons drawn from amongst the Association Members Chairmen and the Elected Directors.
- (b) No member of an Appeal Board shall have been a member of the committee of the Board against whose decision the appeal is lodged nor shall he have any interest in or connection with (i) such appeal, nor (ii) any party to, or which has an interest therein.
  - (c) A person who is an Association Member's Chairman or otherwise the representative of the Association Member on the Board or an Elected Director shall automatically cease to be a member of the appeal panel upon his ceasing to be an Association Member Chairman or the representative of the Association Member on the Board or an Elected Director unless at the time when he ceases to hold such position he is a member of an Appeal Board which has not delivered its decision on an appeal before it. In such circumstances he shall cease to be a member of the appeal panel following delivery of the decision of the Appeal Board.

- (3) (a) Any person desirous of appealing against any decision under the rights in that behalf contained in these Articles shall, within fourteen days or such other longer period as the Board may decide after notification to him of the decision appealed against, give notice of appeal in writing to the Secretary. Notwithstanding such notice of appeal being given, the appellant shall pay his fine within fourteen days as from the relevant notice being given or such other longer period as the Board may decide. In the event of the fine being refunded or not to be refunded, no interest whatsoever shall be payable thereof.
- (b) On receipt of such notice as aforesaid, together with payment of the sum of HK\$1,000 or such other fee as the Board may from time to time prescribe, the Secretary shall convene a meeting of the Appeal Board to hear such appeal.
- (c) The Secretary shall give the appellant and the body whose decision is appealed against not less than fourteen days' notice of the time and place of meeting of the Appeal Board, and shall in such notice inform the appellant that he may attend and make representations to the Appeal Board. Representatives of the body whose decision is appealed against and such other persons as the Appeal Board may agree may also attend the meeting of the Appeal Board and make representations.
- (4) (a) An appeal shall lie to the Registrar from the Appeal Board on all matters which, or which may, touch on, involve or relate to the power or ability of the Registrar to grant, refuse to grant, revoke or suspend a Member's, or other person's licence under the Travel Agents Ordinance.
- (b) Any person to whom sub-article 4 (a) applies who is aggrieved by any decision of the Appeal Board shall, within 14 days after notification to him of the decision of the Appeal Board, give notice of appeal in writing to the Registrar.
- (c) The Registrar shall give the appellant, the respondent and the Appeal Board not less than 14 day's notice of the time and place of the hearing of the appeal and shall in such notice inform the appellant that he may attend and make representations to the Registrar. Representatives of the respondent and of the Appeal Board and such other persons as the Registrar may agree may also attend the hearing and make representations. The appeal shall be in the form of a new hearing.
- (5) (a) Following the conclusion of the hearing of an appeal the Appeal Board or, when appropriate, the Registrar, shall deliver its or his decision to the appellant, the respondent and, where appropriate, the Appeal Board.

- (b) The decisions of the Appeal Board and of the Registrar shall be binding on TIC (including its Board and all committees) and Association Members. The Board and, where applicable, the Association Members shall take appropriate steps to carry out the decisions of the Appeal Board and of the Registrar.
- (6) The Appeal Board and the Registrar shall have power to provide for the fee paid by the appellant to be repaid to him wholly or in part.
- (7) The Appeal Board and the Registrar shall regulate proceedings as it or he shall from time to time determine with a view to dealing with all appeals promptly and judicially.
- (8) If any Association Member shall decide to reject any person's application for membership of such Association Member or to terminate, suspend or expel any person from such membership or to fine him, such person shall be entitled to appeal against the decision of the Association Member to the Appeal Board and, provided the matter is within sub-article 4 (a), from the Appeal Board to the Registrar.
- (9) The provisions of this Article 12 shall not be amended save with the approval of the Financial Secretary.
- (10) The Appeal Board may confirm, vary or quash a decision against which these Articles provide for a right of appeal to the Appeal Board and it may impose fines in accordance with Article 11 (3) (b) hereof.

## **GENERAL MEETINGS**

### **Holding of General Meetings**

- 13. (1) TIC shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in that year and not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
- (2) TIC shall hold its first Annual General Meeting as set out in Article 57.
- 14. The Board may call an Extraordinary General Meeting whenever it thinks fit and on the requisition of Members holding not less than 10 per cent of the total voting rights of all the Members in accordance with the Ordinance shall forthwith convene an Extraordinary General Meeting.
- 15. Every general meeting shall be held at such time and place in Hong Kong as the Board may determine.

### **Notice of General Meetings**

16. Fourteen clear days notice at least, or (in the case of an Annual General Meeting or a meeting convened to pass a special resolution) twenty-one clear days notice at least shall be given to such Members as are entitled to receive notices from TIC and also to its Auditors. The length of notice in every case shall be calculated exclusive of the day on which the notice is served or deemed to be served and the day for which it is given.
17. A meeting shall, notwithstanding that it is called by shorter notice than that specified in the preceding Article, be deemed to have been duly called if it is so agreed:-
  - (1) In the case of a meeting called as the Annual General Meeting, by all the Members having the right to attend and vote thereat; and
  - (2) In the case of any other meeting, by a majority in number of the Members having that right together representing not less than 95 per cent of the total voting rights at that meeting of all the Members.
18. Every notice of a meeting shall specify the place, the day and the hour of the meeting, and in the case of special business the general nature of such business. The notice convening an Annual General Meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution.
19. The accidental omission to give notice of any meeting to, or the non-receipt of the notice by, any person shall not invalidate the proceedings at the meeting.

### **Proceedings at General Meetings**

20. All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all business that is transacted at an Annual General Meeting, with the exception of the election of Member Elected Directors pursuant to Article 50 in place of those retiring, consideration of the accounts and balance sheet, the reports of the Board and Auditors and any other documents annexed to the balance sheet, and the re-appointment of retiring Auditors and the fixing of their remuneration.
21. No business shall be transacted at any general meeting unless a quorum is physically present when the meeting proceeds to business and continues to be present until the conclusion of the meeting. Members holding not less than 5 per cent of the total voting rights of all of the Members physically present shall be a quorum for all purposes. A Member shall be deemed physically present if present in person or if there is present his or its representative or proxy.
22. If within half an hour after the time appointed for the meeting a quorum is not

present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week, at the same time and place, or such other date, time or place as the Board may by not less than five days' notice appoint, and if at such adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting the Members present shall be a quorum.

23. The Chairman of TIC shall if present preside as chairman at every general meeting of TIC, and failing him some member of the Board. If there is no such member present within ten minutes after the time appointed for holding the meeting, or every such member is unwilling to act as chairman, the meeting shall choose some Member of TIC present in person to be chairman.
24. The chairman may with the consent of any meeting at which quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, at least seven days' notice of the adjourned meeting shall be given in the same manner as of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
25. Subject to Article 50 (relating to election of the Member Elected Directors to the Board by secret ballot) at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) demanded
  - (1) by the chairman; or
  - (2) by at least five Members present in person or by proxy and entitled to vote; or
  - (3) by any Member or Members present in person or by proxy and representing not less than one tenth of the total voting rights of all the Members having the right to vote at the meeting.
26. Unless a poll is so demanded, a declaration by the chairman that a resolution has been carried, or carried unanimously or by a particular majority, or lost, an entry to that effect in the minute book shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against the resolution.
27. If a poll is duly demanded, it shall be taken either forthwith or at such other time and place and in such manner (including by means of posted polling papers) as the Chairman directs, and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

28. No poll shall be demanded or taken on the election of a chairman of a meeting or on any question of adjournment of a meeting.
29. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or the poll is demanded shall be entitled to a further or casting vote.
30. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded, and it may be withdrawn at any time before the poll is taken.
31. Every Ordinary Member shall whether on a show of hands on a ballot or on a poll have two votes and every Affiliate Member shall have one vote. An Association Member shall not have any vote.
32. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.
33. No Member shall be entitled to vote at any general meeting unless all moneys payable by him to TIC in his capacity as Member and which have been outstanding for more than 1 month after they fell due for payment have been paid.
34. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the chairman of the meeting, whose decision shall be final and conclusive.
35. On a poll votes may be given either personally or by proxy.
36. The instrument appointing a proxy shall be in writing.
  - (1) It shall:-
    - (a) in the case of a sole proprietorship be signed by the sole proprietor or by his attorney duly authorised;
    - (b) in the case of a partnership be signed by all of the partners or by their respective attorneys duly authorised;
    - (c) in the case of a company shall be under the seal of the company and be signed by any of its directors duly authorised or by an attorney duly authorised under the seal of the company; and

(d) contain the full and proper names and the Hong Kong Identity Card number of the person signing the proxy form and of the proxy and the specimen signature of the proxy.

(2) The proxy must be one of the two representatives registered with TIC pursuant to Article 42 and such proxy may not represent more than one Member.

37. The instrument appointing a proxy and the power of attorney and original or certified copy of the board resolution pursuant to which the proxy has been executed or other authority, if any, under which it is signed, or a notarially certified copy of that power, resolution or authority shall be deposited at the registered office of TIC or at such other place within Hong Kong as is specified for that purpose in the notice convening the meeting, not less than 48 hours before the time for holding the meeting, or adjourned meeting, at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll, and in default the instrument of proxy shall not be treated as valid.

38. An instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

“[ \_\_\_\_\_ ]

I/We \_\_\_\_\_, of \_\_\_\_\_,

\_\_\_\_\_ , being a member/members of the above-named association, hereby appoint \_\_\_\_\_

of \_\_\_\_\_

(the holder of Hong Kong identity card No. \_\_\_\_\_), or failing him,

of \_\_\_\_\_

(the holder of Hong Kong identity card

No. \_\_\_\_\_), as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the association to be held on the \_\_\_\_\_ day of 19\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

\*\*Signed \_\_\_\_\_

(Hong Kong Identity Card

No. )

Specimen signature of proxy/ies:-

---

(Hong Kong Identity Card

No(s). )\*\*

Or, in the case of a company:-

\*\*Seal with the Common Seal )

of )

and signed by )

(the holder of )

Hong Kong identity card )

No. )

Specimen Signature of proxy/ies:-

---

(Hong Kong Identity Card

No(s). )\*\*

This form is to be signed by a sole proprietor; or by all partners of the firm or, in the case of a company, shall be sealed with the seal of the company and signed by a director duly authorised by resolution or by their respective attorneys duly authorised by power of attorney and in each case the Hong Kong identity card number of the person signing the form must be inserted.

The specimen signatures and identity card numbers of the proxy/ies must appear on the proxy form.

39. where it is desired to afford members an opportunity of voting for or against a

resolution the instrument appointing a proxy shall be in the following form or a form as near thereto as circumstances admit:-

"[ \_\_\_\_\_ ]

I/We \_\_\_\_\_, of \_\_\_\_\_, being a member/members of the above-named association hereby appoint

of \_\_\_\_\_, or failing him, \_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ , as my/our proxy to vote for me/us on my/our behalf at the [annual or extraordinary, as the case may be] general meeting of the association, to be held on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_, and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_\_

\*\*Signed \_\_\_\_\_

(Hong Kong Identity Card

No. \_\_\_\_\_ )

Specimen signature of proxy/ies:-

\_\_\_\_\_  
(Hong Kong Identity Card

No(s). \_\_\_\_\_)\*\*

Or, in the case of a company:-

\*\*Seal with the Common Seal \_\_\_\_\_ )

of \_\_\_\_\_ )

and signed by \_\_\_\_\_ )

(the holder of \_\_\_\_\_ )

Hong Kong identity card )

No. )

Specimen Signature of proxy/ies:-

---

(Hong Kong Identity Card

No(s) )\*\*

This form is to be used \*[in favour of/against] the resolution.

Unless otherwise instructed, the proxy will vote as he thinks fit.

\* Strike out whichever is not desired.\*

This form is to be signed by a sole proprietor; or by all partners of the firm or, in the case of a company, shall be sealed with the seal of the company and signed by a director duly authorised by resolution or by their respective attorneys duly authorised by power of attorney and in each case the Hong Kong identity card number of the person signing the form must be inserted.

The specimen signatures and identity card numbers of the proxy/ies must appear on the proxy form.

40. A proxy shall be entitled to vote at the meeting at which the proxy is to be used and may demand or join in demanding a poll.
41. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by TIC at the office before the commencement of the meeting or adjourned meeting at which the proxy is used.
42. (1) (a) Any corporation which is a Member of TIC must by resolution of its directors or other governing body register two persons, one of whom must be a director and the other a director or manager, of the Member to act as its representative at any meeting of TIC three months in advance of any general meeting and to present an original board resolution of their appointments or a copy thereof duly certified by a solicitor or Justice of Peace as a true copy of the original to TIC for registration within 7 days of such appointment. One of the two persons so authorized shall be entitled to vote and exercise the same powers on behalf of the corporation which

he represents as that corporation could exercise if it were an individual member of TIC. However, the representative may not represent more than one Member.

- (b) Any corporation which is a member of TIC for less than 3 months at the date of a general meeting or there is a sale of the corporation within 3 months of the date of a general meeting shall register two persons, if it has not been done before, as its representatives within 7 days from the date of the notice for that general meeting in the manner set out in paragraph (1)(a) above, and that Member is permitted to vote in that general meeting which is held within 3 months of that member becoming a member of TIC or there is a change.
- (2) (a) In the case of a sole proprietorship or a partnership, the Member shall register in writing two persons, one of whom must be the sole proprietor or a partner and the other a manager or partner, to act as its representative at any meeting of TIC three months in advance of any general meeting. One of the two persons so authorized shall be entitled to vote and exercise the same powers on behalf of the Member which he represents. The representative may not represent more than one Member.
- (b) In the case of a sole proprietorship or a partnership who is a member of TIC for less than 3 months at the date of a general meeting, the Member shall register two persons as its representatives within 7 days from the date of the notice for that general meeting in the manner set out in paragraph (2)(a) above, and that member is permitted to vote in that general meeting which is held within 3 months of that member becoming a member of TIC.
- (3) Members who have not registered pursuant to the above clauses are not entitled to vote at a general meeting.
- (4) For the 1997 Annual General Meeting, representatives shall be registered 2 months in advance of the general meeting.

### **THE BOARD**

- 43. (1) TIC shall have a Board who may pay all costs and expenses incurred in promoting and registering TIC, who shall manage the affairs, business and property of TIC and shall exercise all such powers of TIC as are not by the Ordinance or these Articles vested in any other body.
- (2) The Board may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of TIC for such

purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Board may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

- (3) All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for moneys paid to TIC, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be by one signatory from among the category A signatories together with one signatory from among the category B signatories or, in the absence of all category B signatories by 3 signatories from category A, one of whom must be the Chairman or a Deputy Chairman. Category A signatories shall consist of the Chairman, the Deputy Chairman or Chairmen and such other members of the Board as the Board shall appoint for that purpose. Category B signatories shall consist of the Treasurer, the Honorary Secretary and the Executive Director of TIC.

44. Without prejudice to the generality of Article 43, the Board shall be responsible for:-

- (1) the administration of TIC, the appointment and control of staff, the leasing and utilisation of premises and the raising investment and expenditure of funds for the purposes of TIC;
- (2) the representation of TIC in its overall dealings with Government, other authorities and the general public;
- (3) the approval and promulgation of any Code of Conduct, rules and by-laws to which members of TIC are from time to time subject, and of any additions to or modifications of any such Code of Conduct, rules and by-laws;
- (4) Collection of the Fund Levy and Council Levy referred to in Article 7 and the carrying out of such other duties under Part III A of the Amendment Ordinance.

45. (1) The Board shall consist of

- (a) the Chairman;
- (b) the Immediate Past Chairman ex-officio (unless he shall have vacated his office as chairman on any of the grounds set out in Article 56(1), (2), (3), (5), (6), (7) or (9) or shall have resigned as chairman pursuant to Article 56 (4) on or because of any such grounds), who shall not be entitled to vote at meetings of the Board;

- (c) Subject to Article 47 (1) every Association Member's Chairman or its representative appointed pursuant to Article 47(2)(a);
  - (d) Subject to Article 50(2)(f), the number of Elected Directors shall correspond to the number of the Association Members; and
  - (e) Up to four independent directors who shall not be the members of the travel trade. Two of such independent directors shall be appointed by the Financial Secretary. The other two independent directors shall be persons of integrity who are to be recommended by the TIC Board and appointed by the Financial Secretary. The Board shall recommend the term of the tenure of each of the independent directors to the Financial Secretary who shall fix the term of tenure of each independent director. Each of the independent directors may be re-appointed by the Financial Secretary to serve as independent director for such further terms the Financial Secretary sees fit.
  - (f) No alternate shall be appointed for any member of the Board.
- (2) The provisions of Articles 45 to 53 (both inclusive) shall not be altered except with the written approval of the Financial Secretary.

#### **CHAIRMAN**

46. (1) TIC shall have a Chairman who shall preside at all General Meetings of TIC and at all meetings of the Board.
- (2) (a) To be eligible for nomination and election as Chairman, a person must:-
- (i) be the chief executive of an Ordinary Member in good standing and have been so for at least 5 consecutive years;
  - (ii) be registered with TIC in accordance with Article 49;
  - (iii) have served as the Chairman or as a Deputy Chairman of one of the Association Members for one full year or have served as an Executive Committee Member of one of such Associations for 2 consecutive years; and
  - (iv) have served at least one year either as a member of the executive council of The Association or as a member of the Board of TIC.
- (b) An Association Member's Chairman holding the qualifications referred to in paragraph (2) above shall be eligible for nomination and election as Chairman provided that upon his election he shall resign as chairman of such Association Member.

- (3) The Chairman shall be nominated and elected as follows:-
- (a) The board of directors or other governing body of each Association Member shall be entitled to nominate one person from amongst the Members for the office of Chairman.
  - (b) The name or names of all such nominees for the office of Chairman shall be placed before the board of directors or other governing body of each Association Member and if not less than one half of the number of Association Members support the nomination of any of such nominees. those nominees shall be the candidates for election as Chairman. Each Each Association Member shall be entitled to support the nomination of of up to 2 nominees (including its own nominee, if any).
  - (c) The names of the candidates for election as Chairman shall be placed before a meeting of the full board of TIC. Such meeting shall by simple majority vote elect one of such candidates to be the Chairman.
  - (d) The meeting referred to in sub-paragraph (3) (c) shall be held, not more than 2 business days before the Annual General Meeting at the conclusion of which the period of office of the outgoing Chairman expires or, if the vacancy arises for some reason other than the expiration of the outgoing Chairman's period office, it shall be held not more than 30 days after the date on which the vacancy in the position arose.
  - (e) The person so appointed Chairman shall assume the office of Chairman either when the period of the office of the outgoing Chairman expires or, if at the date of his election there is for any reason no Chairman, at the date of such election.
- (4) The duties of the Chairman shall include representing TIC, directing the various officers of the Board in their work, taking overall charge of the work of TIC and presiding over all Board meetings.
- (5) If the office of Chairman is vacated the Board shall appoint one of the persons who were acting as Deputy Chairmen of TIC when the Chairman vacated his office to be acting-Chairman (notwithstanding that he may not have the qualifications set out in paragraph 3 (a)) and he shall hold office as acting-Chairman until a new Chairman is elected on the terms of this Article as if he were the Chairman.
- (6) Subject to Article 57, the Chairman shall hold office until the conclusion of the third Annual General Meeting following his assumption of the office of Chairman.

- (1) (a) Each Association Member's Chairman must be an Ordinary Member in accordance with Article 49 and, except when such chairman is the chief executive of the Ordinary Member, must have the authority of such chief executive to become the chairman of the Association Member.
    - (b) Subject to article 46(2)(b), an Association Member's Chairman shall not while serving as such, be eligible to serve as Chairman of TIC nor shall he be the Chairman, Deputy Chairman, Honorary Treasurer or Honorary Secretary of any other Member Association. In the event he becomes an Elected Director of the Board, he shall cease to be Chairman of the respective Association Member.
  - (2) (a) If the Chairman of an Association Member ceases to be a member of the Board whether pursuant to Article 56 or otherwise, or if the Association Member's Chairman shall, for any reason decide that he will not physically serve on the Board, the Association of which he is the Chairman shall appoint some other person who meets the criteria set out in Article 47(1)(a) from its board of directors or other governing body to be its representative on the Board and such person shall for all purposes be its Association Member's Chairman under Article 45(1)(c). Such representative shall (subject to the provisions of Article 56) serve for at least one year or the remainder of the term of the Association Member's Chairman (if shorter).
  - (b) In the event an Elected Director of the Board becomes the Chairman of an Association Member, he shall cease to be an Elected Director of the Board. Any vacancy occurring as a consequence shall be filled pursuant to Article 50(2)(e).
48. The two independent directors of integrity who are recommended by the TIC Board and appointed by the Financial Secretary under Article 45 (1) (e) shall remain a member of the Board until he shall be removed by the Financial Secretary or when their respective term of tenure of office fixed by the Financial Secretary expires.
49. For the purpose of Articles 4(1)(b)(vi)(bb), 47(1)(a) and 50(1)(a), the chief executive or the executive director of the Ordinary Member who is registered with TIC as the authorized person of the company shall be deemed to be the Ordinary Member.

### **ELECTED DIRECTORS**

50. (1) To be eligible for nomination and election as an Elected Director, a person must:-
- (a) be deemed an Ordinary Member in accordance with Article 49 and,

- (b) be a specialist or an expert in a special area within the travel industry who can contribute his expertise to the benefit of TIC.
- (2) Member Elected Directors shall be nominated and elected to the Board as follows:-
- (a) The Board and the board of directors or other governing body of each Association Member, may each nominate up to three persons who meet the criteria set out in paragraph (1) (a) from amongst the Ordinary Members of TIC and shall inform the Secretary in writing of the names of their candidates.
  - (b) Not less than 7 days prior to the date of the Annual General Meeting of TIC the Secretary shall send to all Members a list containing the names of the candidates for election to the Board and shall inform the Members in writing at the same time:-
    - (i) the number of vacancies among the Elected Directors (which shall be about one half of the number of Association Members due to the sequential rotation of about one half of the number of the Elected Directors) are to be filled by the nominated Ordinary Members duly elected at the Annual General Meeting;
    - (ii) the number of such candidates for which each Member may vote shall be not more than 2; and
    - (iii) that election of the persons to fill vacancies which are to be filled by the Members will take place by secret ballot held at the Annual General Meeting.
  - (c) The candidates receiving the most votes (according to the number of vacancies to be filled by the Members) shall be elected to the Board and at the Annual General Meeting, the chairman of the meeting will announce the results of the election.
  - (d) Subject to paragraph (4) (a) and to Article 57 (2) a Member Elected Director shall hold office until the conclusion of the second Annual General Meeting after the annual general meeting at which he is elected.
  - (e) Any vacancy occurring among the Member Elected Directors during the period between the holding of elections as set out in paragraph (2) shall be filled by the Board from among the unsuccessful candidates who stood at the previous election. Such candidates shall be appointed in descending order according to the number of votes respectively cast by the Members in their favour at the previous election, subject to the candidate confirming

to the Board his willingness to be appointed and to his not already serving on the Board. If the votes cast were equal the Board shall determine the matter by lot.

- (f) The four Member Elected Directors and the four Board Elected Directors serving on the Board as at 1st January 1994 shall subject to Article 56 continue to serve on the Board for their full terms. However the four Board Elected Directors shall be replaced by four new Member Elected Directors in accordance with the following election schedule:-
  - (i) Four new Member Elected Directors shall be elected for the two Member Elected Directors and the two Board Elected Directors due to retire on or before the next Annual General Meeting of TIC (which shall be held on a day before 31st December 1994).
  - (ii) Four new Member Elected Directors shall be elected for the two Member Elected Directors and the two Board Elected Directors due to retire on or before the Annual General Meeting of TIC thereafter (which shall be held on a day before 31st December 1995) Any new vacancies of Member Elected Directors due to an increase in Member Associations shall be filled at the next scheduled election of Member Elected Directors in accordance with Article 50(2). The aforesaid shall result in the sequential rotation of about half of the Member Elected Directors upon replacement of all Board Elected Directors by Member Elected Directors on or before the Annual General Meeting scheduled to take place on or before 31st December 1995.
- (3) (a) Subject to the provisions of Article 50 (2) (f) concerning the eventual replacement of Board Elected Directors, either immediately before or following the Annual General Meeting at which any Board Elected Director is to retire, the members of the outgoing Board or, if the meeting takes place after such annual general meeting, the previous board shall be entitled to nominate and elect from among their number persons to fill the number of vacancies among the Board Elected Directors.
- (b) Subject to paragraph (4) (a) Board Elected Directors shall hold office for such period as the Electing Board may determine but which in any event shall not be later than the conclusion of the Annual General Meeting occurring 2 years after the date on which such directors were elected by the Board.
- (c) If a vacancy occurs among the Board Elected Directors between the dates of the annual general meetings at which the Board Elected Directors are to retire, the Board then currently in office may elect any person who

meets the criteria set out in paragraph (1) to fill the vacancy.

- (d) The first Board Elected Directors shall be elected by the first Board of TIC referred to in Article 57 (1) immediately before or following the first Annual General Meeting from among the eligible members of the first Board of TIC. Such Board Elected Directors shall, subject to sub-article (3) (b) hold office for such period as the first Board shall determine.
- (4) (a) Any person who is elected to fill a vacancy referred to in paragraph (2) (e) or (3) (c) shall retire on the date on which the office of the Elected Directors in whose place he is elected would have expired.
- (b) In the event of a tie occurring in the numbers of votes cast for candidates referred to in paragraphs (2) (c) and (e) and (3) (a), (c), and (d) shall be determined by lot.

### **DEPUTY CHAIRMEN**

- 51. TIC may have up to two Deputy Chairmen each of whom shall be a specialist or expert in the travel industry.
- 52. (1) Immediately following the election of the Chairman, the Board may, but shall not be obliged to, elect from among the Board Members by simple majority of up to 2 persons who are suitably qualified and deemed to be Ordinary Members in accordance with Article 49, to be the Deputy Chairmen of TIC. The persons to fill the positions of the Deputy Chairmen shall be nominated by the Chairman and elected by the Members of the Board.
- (2) Subject to Article 46 (6) each Deputy Chairman shall hold office until
  - (a) the Chairman's period of office expires or
  - (b) the Chairman ceases for any other reason to hold such office, or
  - (c) his own period of office on the Board expires; or
  - (d) the Board removes him as Deputy Chairman, whichever first occurs.
- 53. The two Deputy Chairmen shall assist the Chairman in his work and one of such Deputy Chairmen shall act as the acting-Chairman when the Chairman is absent or the office of Chairman is vacated.

### **CONDUCT OF BUSINESS**

- 54. (1) The Board may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit and shall adopt standing

orders for the proceedings of the Board and directives to members of the Board and Committees. Each member of the Board shall have one vote (except for the Immediate Past Chairman who shall not be entitled to vote and the Deputy Chairmen who shall not have a vote in their capacity as Deputy Chairmen) and questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

- (2) The Chairman or any Deputy Chairman or any four members of the Board (excluding the Immediate Past Chairman) may, and the Secretary on the request of the Chairman or any two members of the Board shall, at any time summon a meeting of the Board.
- (3) The quorum necessary for the transaction of the business of the Board shall be one half of the members of the Board (excluding the Immediate Past Chairman) plus one member present in person. In the event that the number of the members of the Board (excluding the Immediate Past Chairman) shall be an odd number, the quorum shall be the lower whole number nearest the number which is one half of such Board Members, plus one. A resolution or decision of the Board shall be passed by simple majority. A resolution to issue a directive or one which in effect negates or rescinds a previous resolution shall require two-thirds thirds or more of the Board members present (excluding the Immediate Past Chairman) to vote in favour of such resolution.

### **COMMITTEES**

55. (1) The Board may delegate any of their powers to committees consisting of such member or members of their number and/or other persons as they think fit. Any such committee shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- (2) The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of these Articles regulating the meetings and proceedings of the Board, so far as the same are applicable and are not superseded by the Board under paragraph (1) above. The convenor of such committee must be a director of the Board; and all recommendations of such committee, save and except those affairs which are in their normal and ordinary course of business, shall be submitted to the Board for approval.
- (3) All acts done by any meeting of the Board or of a committee of the Board, or by any person acting as a member of the Board, shall, notwithstanding it be afterwards discovered that there was some defect in the appointment of any person acting as aforesaid, or that they or any of them were disqualified or had vacated office, be as valid as if every such person had been duly appointed and

was qualified and had continued to be a member of the Board.

- (4) The members of the Board and the members of any committee appointed by the Board shall be entitled to be repaid by TIC all such reasonable travelling (including hotel and incidental) expenses as they may incur in attending and returning from meetings of the Board or any such Committee.
  - (5) The Board shall set up a Staff and Finance Committee of the Board, comprising such members of the Board as the Board shall determine.
56. The office of a member of the Board (including the office of Chairman) shall be vacated:-
- (1) if such member becomes bankrupt or compounds with his creditors; or
  - (2) if such member becomes of unsound mind; or
  - (3) if the Ordinary Member by virtue of which he is deemed to be a Member of TIC ceases to be an Ordinary Member or a member of an Association Member; or
  - (4) if by notice in writing to TIC such member resigns his office; or
  - (5) if the Ordinance, or any order made thereunder, prohibits such member from being a director of a company; or
  - (6) subject to paragraph (8) in the case of the Chairman, if such member ceases to fulfil the qualifications on which he was appointed or otherwise holds office; or
  - (7) if he is absent from three consecutive meetings of the Board and the Board resolves that his office be vacated; or
  - (8) if in the case of the Chairman he ceases to be the Chief Executive of the Ordinary Member or he ceases to be registered in accordance with Article 49 unless:-
    - (a) before or within seven days following such cessation he indicates in writing to TIC that he wishes to continue in office as Chairman; and
    - (b) following such cessation he fulfils the qualifications for appointment as Chairman.
  - (9) If all of the other members of the Board shall unanimously resolve to remove such member from the Board provided that in the case of an Association Member's Chairman or its representative who is appointed pursuant to Article 47 (2) the Board shall first notify the Association Member or the appointor in writing of their intention to propose the removal of its Association Member's

Chairman or representative or appointee, as the case may be.

- (10) A member of the Board, including that of the Chairman but excluding the four independent directors, may be impeached or removed by the higher of 16 votes or 75% of the total votes of the full Board on account of any violation of the Codes of Conduct during the tenure of office of such Member of the Board.

#### **TRANSITIONAL**

57. (1) The members of the Executive Committee of The Association at the date of the incorporation of TIC shall be the first Board of TIC and the chairman of such Executive Committee shall be the first Chairman of TIC. All such members on the Board with the exception of those Association Member's Chairmen whose period of office as such chairmen shall continue past the date of the first Annual General Meeting shall retire at the conclusion of the first Annual General Meeting of TIC which shall be held on a date to be decided but which in any event shall not be later than 1st November 1988.
  - (2) Two of the Member Elected Directors who are elected at the first Annual General Meeting shall hold office until the end of the next Annual General Meeting and the other 2 such Member Elected Directors shall hold office until the end of the second Annual General Meeting following their election. The persons who are to remain longer in office shall be those who receive most votes and in the event of a tied vote the matter shall be determined by lot.
  - (3) The first Board Elected Directors shall be elected in accordance with Article 50 (3) (d).
58. The provisions of Articles 45-53 (both inclusive) relating to the composition of and election to the Board shall be subject to review by the Board and the Government of Hong Kong and to amendment within 2 years of the date of incorporation of TIC.

#### **SECRETARY**

59. The Secretary shall be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Secretary so appointed may (subject to terms of any contract between him and TIC) be removed by the Board from that office.

#### **TREASURER**

60. (1) The Board shall at their meeting immediately following the Annual General Meeting elect from among their number a person to be the Treasurer of TIC.

- (2) The Treasurer shall hold such office until he ceases to be a member of the Board of TIC or until he is removed as Treasurer by resolution of the Board.
  - (3) Subject to the direction of the Board, the Treasurer shall have overall responsibility for the conduct of all financial matters.
61. If in the opinion of the Board the accounts of any Member are unsatisfactory or any Member shall have failed to comply with the provisions of Article 9 the Board shall decide whether or not the membership of that Member shall be terminated, or whether that Member shall be required to provide further finance or a bond, guarantee or other security. If the Member shall fail to comply with any requirements of the Board with regard to the provision of further finance, a bond, guarantee or other security or the Board shall decide to terminate his membership, he shall thereupon cease to be a Member of TIC.

### **MINUTES**

62. The Board shall ensure that minutes are kept recording:-
- (1) the members of the Board present at each meeting of the Board and of any committee of the Board.
  - (2) all resolution and proceedings at all meetings of TIC and of the Board and of any committee of the Board.

### **THE SEAL**

63. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board and in the presence of at least one member of the Board and the Secretary, both of whom shall sign the instrument.

### **SYMBOL**

64. Members of TIC may print the symbol of TIC on their letterheads and literature.

### **ACCOUNTS**

65. The Board shall cause to be kept such books of account as are necessary to exhibit and explain the transactions and financial position of TIC and to give a true and fair view of the state of its affairs, and in particular (but without limiting the generality of the foregoing provision) proper books of account with respect to:-
- (1) all sums of money received and expended by TIC and the matters in respect of which such receipt and expenditure takes place;

- (2) all sales and purchases of goods by TIC; and
  - (3) the assets and liabilities of TIC.
66. The books of account shall be kept at the office or (subject to the Ordinance) at such other place as the Board thinks fit, and shall at all times be open to inspection by the members of the Board. No other member of TIC shall have any right of inspecting any account or book or document of TIC except as conferred by the Ordinance or authorised by the Board or by a general meeting.
67. The Board shall from time to time in accordance with the requirements of the Ordinance to be prepared and to be laid before TIC in general meeting such income and expenditure accounts, balance sheets and report as shall be requisite.
68. A copy of every balance sheet (including every document required by law to be annexed thereto) and of the reports of the Board and of the Auditors shall, at least twenty one days before the general meeting convened to consider those documents, be delivered or sent by post to every Member of TIC of whose address it is aware.

#### **AUDIT**

69. Auditors of TIC shall be appointed and their duties regulated in accordance with the Ordinance.
70. The Auditors' report to the Members made pursuant to the statutory provisions as to audit shall be read before TIC in general meeting and shall be open to inspection by any Member, who shall be entitled to be furnished with a copy of the balance sheet (including every document required by law to be annexed thereto) and Auditors' Report in accordance with the Ordinance.

#### **NOTICES**

71. Any notice or document may be served by TIC on any Member either personally or by sending it through the post in a prepaid letter addressed to him at his registered address.
72. All Members described in the Register by an address within Hong Kong shall be entitled to receive notices from TIC.
73. Any notice or other document, if served by post, shall be deemed to have been served on the day following that on which the letter containing it was posted, and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly addressed, stamped and posted.
74. Any notice or document delivered or sent by post to, or left at the registered address of, any Member in pursuance of these Articles shall, notwithstanding that such

Member is then dead or bankrupt, and whether or not TIC has notice of his death or bankruptcy, be deemed to have been duly served on such Member unless his name shall, at the time when the notice or document is deemed to have been served.

have been removed from the Register.

### **INDEMNIFICATION**

75. Every Member of the Board and any member of any committee of any such Board, and every Officer of TIC shall be indemnified out of the funds of TIC against all liability incurred by him as such Member, Committee Member or Officer save to the extent that the indemnity hereby conferred would be made void by the Ordinance.
76. A resolution for the voluntary winding up of the Company shall not be valid or effective unless the Financial Secretary shall have given his written approval to the passing of such resolution. This Article 76 shall not be amended or revoked except with the written approval of the Financial Secretary.
77. The provisions of Clause 8 of the Memorandum of Association relating to the winding-up or dissolution of the Company shall have effect and be observed as if the same were repeated in these Article.



TRAVEL INDUSTRY COUNCIL OF HONG KONG

# CODES OF CONDUCT FOR MEMBERS

香  
港  
旅  
遊  
業  
議  
會  
會  
員  
作  
業  
守  
則

# CONTENTS

---

<b>PART I</b>	page
<b>1. Preliminary</b>	<b>20</b>
<b>2. Abbreviation</b>	<b>20</b>
<b>3. Interpretation</b>	<b>21</b>
<b>PART II</b>	
<b>General Code of Conduct for TIC Members</b>	<b>23</b>
<b>Code of Business Practice on Outbound Package Tours</b>	<b>29</b>
<b>Code of Advertising Practice for TIC Members</b>	<b>35</b>
<b>Code of Business Practice on Inbound Package Tours</b>	<b>38</b>

## **PART I**

---

### **1. Preliminary**

Under Article 10 of the Articles of Association of Travel Industry Council of Hong Kong (TIC), every member of TIC is bound by the Codes of Conduct promulgated by the Board of TIC for the purposes of regulating the conduct and business and other practices of travel agents. The Codes of Conduct being implemented are:

- a. General Code of Conduct for TIC Members
- b. Code of Business Practice on Outbound Package Tours
- c. Code of Advertising Practice for TIC Members
- d. Code of Business Practice on Inbound Package Tours

### **2. Abbreviation**

In this "Codes of Conduct for Members", the following words bear the meanings set opposite them:

- |   |                              |  |
|---|------------------------------|--|
| a | Articles of Association      | Articles of Association of Travel Industry Council of Hong Kong      |
| b | TIC                          | Travel Industry Council of Hong Kong                                 |
| c | The Board                    | The Board of Directors of Travel Industry Council of Hong Kong       |
| d | Consumer Relations Committee | Consumer Relations Committee of Travel Industry Council of Hong Kong |
| e | Compliance Committee         | Compliance Committee of Travel Industry Council of Hong Kong         |
| f | Appeal Board                 | Appeal Board of Travel Industry Council of Hong Kong                 |

### 3. Interpretation

#### a. Travel Agent

In accordance with the definition set out in the Travel Agents Ordinance (Chapter 218 - revised edition), a person carries on business as a travel agent if he holds himself out as carrying on the business of, and carries on the business of, obtaining for another person -

- i. carriage, by any means of conveyance, on a journey which is to commence in Hong Kong and which thereafter is to take place mainly outside Hong Kong; or
- ii. accommodation at a place outside Hong Kong for which payment is, or is to be, made to that person by or on behalf of that other person of an amount on account of the cost of that accommodation.

#### b. Outbound Travel Service

In accordance with the Travel Agents (Amendment) Ordinance 1993, a service is an outbound travel service if -

- i. it is provided or obtained by a travel agent for the public;
- ii. it is comprised of any 2 or all of the following ---
  - (1) carriage, by means of a conveyance, on a journey which is to commence in Hong Kong and which thereafter is to take place mainly outside Hong Kong;
  - (2) accommodation at a place outside Hong Kong;
  - (3) arrangements for an activity (not ancillary to a service referred to in subparagraph (1) or (2)) and which is to take place outside Hong Kong and which, where included in the package, constitutes a substantial part of it;
- iii. it is a package which is available only at an inclusive price; and
- iv. the services or arrangements constituting the package have been determined in advance of being made available to the public.

c. Package Tour

A package tour is a term commonly used by travel agents and the public to refer to an outbound travel service as specified in paragraph b. ii. above. A package tour can take the form of providing transportation, accommodation, sightseeing activities, tour guide and escort service to a group of tour members; or it can be a hotel plus air ticket package.

d. Inbound Agents

A person who carries on business as an inbound agent if he carries on the business of making arrangements for another person or group:

- i. to travel from a place outside Hong Kong to Hong Kong on a journey the itinerary of which includes accommodation, sightseeing, meals, shopping, visits, academic, sports or cultural exchange, exhibition, conference, or performance; or
- ii. to travel from a place outside Hong Kong to any other third place whether or not by way of Hong Kong on a journey the itinerary of which includes the items stated in i. above.

e. Tour Operator

A travel agent who operates a package tour.

f. Members of TIC

Those Ordinary and Affiliate members of TIC only.

---

**GENERAL CODE OF CONDUCT FOR TIC MEMBERS**

---

**Introduction**

1. Members of TIC are governed by the Articles of Association of TIC which makes reference to this Code of Conduct, the object of the latter being to promote a high professional standard of ethical business practice.
2. This General Code of Conduct and other Codes of TIC represent the minimum standards to which TIC members are required to follow in all business transactions and practice.
3. TIC members shall be required to answer questions and all correspondence from TIC concerning their conduct in accordance with the Articles of Association and any Codes promptly and efficiently. Members are liable to be penalized if their conduct is found to be in contravention of any Codes or otherwise inconsistent with the objectives of TIC.

**Professional Principles and Ethics**

4. To maintain a high standard of professional practice, TIC members should observe the following guidelines:
  - 4.1 A member shall faithfully carry out the duties which he undertakes, and shall have proper regard for the interests of those who engage him or seek his services.
  - 4.2 A member shall endeavour to contribute through his work to the advancement of the industry.
  - 4.3 A member shall not knowingly undertake any commitment beyond his resources or beyond his ability.
  - 4.4 A member shall avoid actions and situations inconsistent with his legal or contractual obligations or likely to raise doubts about his integrity.
  - 4.5 A member shall not maliciously endeavour to discredit other members of TIC.
  - 4.6 A member shall abide by this General Code of Conduct and other Codes which will be promulgated from time to time by the TIC Board and amended by the TIC Board from time to time.

5. TIC upholds the principle of fair-trading and an honourable standard of professional ethics. The framework for a standard of business ethics is provided by the Code of Business Practice on Outbound Package Tours, the Code of Advertising Practice for TIC Members and the Code of Business Practice on Inbound Package Tours. A member shall also observe the relevant laws of Hong Kong, such as the Prevention of Bribery Ordinance, the Personal Data (Privacy) Ordinance, the Disability Discrimination Ordinance and the Supply of Service (Implied Terms) Ordinance.

## **Conduct Between Travel Agents and the Public**

### **6.1 Standard of Service**

- i. A member shall maintain a high standard in serving the public and shall comply with all relevant statutory requirements.
- ii. A member shall make every effort to ensure that accurate and impartial information is provided to enable his clients to exercise an informed judgement in making their choice of services.
- iii. A member shall make every effort to ensure that his clients are not sold travel arrangements (e.g. package tour, tickets and hotel accommodation) incompatible with their individual requirements.

### **6.2 Advertising & Promotion**

All advertising and promotion by a member shall comply with the Code of Advertising Practice for TIC Members and Directives issued by the Board from time to time.

### **6.3 Alterations to Travel Arrangements**

When alterations are made to travel arrangements for which bookings have already been accepted, a member shall inform his clients immediately after he is advised of the situation and, if appropriate, act as an intermediary between his principals and clients in any subsequent negotiations.

### **6.4 Booking Conditions**

- i. A member shall draw the attention of his clients to conditions of booking, cancellation of booking and other published conditions applicable to their travel arrangements prior to collection of payment.

- ii. A member shall ensure that his conditions of booking are not in conflict with this Code.

## **6.5 Staff**

A member shall endeavour to familiarize himself and his staff with all the provisions in TIC's Articles of Association, Codes of Conduct, Directives, rules and by-laws to ensure that they shall be able to impart accurate information to his clients.

## **6.6 Booking Forms**

A member shall ensure that booking forms for travel arrangements where applicable are completed correctly in every detail. Other booking requirements by his clients shall be shown as appropriate.

## **6.7 Travel Documents**

Upon request of his clients, a member shall check all travel documents (e.g. passports) of his clients and explain to them any points requiring clarification.

## **6.8 Visa and Health Requirements**

Upon request of his clients, a member shall

- i. inform his clients of the health requirements which are necessary for the journey to be undertaken;
- ii. so far as is practicable advise his clients of visa requirements which are necessary for the journey to be undertaken; and
- iii. wherever possible assist his clients with any other ancillary services which they may request and which are not covered by the booking.

## **6.9 Disputes and Complaints**

- i. In the event of a dispute with his clients, a member shall make every effort to reach an amicable and speedy solution with such clients.
- ii. When complaints are of such a nature that reference to the principal is necessary, a member shall endeavour to act as an intermediary to bring about a satisfactory conclusion.

- iii. In the event that a member and his clients fail to reach an amicable solution in respect of any dispute or complaints, either party may submit a written request for detailed examination of the case to the Consumer Relations Committee, which shall have the full discretion whether to respond to such request and the member concerned shall abide by the decision on the case.
- iv. A member desirous of seeking a review of the decision of the Consumer Relations Committee by the Board may write and submit a review fee to TIC within fourteen days of notification of the decision.

#### **6.10 Transaction and Correspondence**

Transactions with clients shall be treated as confidential and correspondence shall be dealt with promptly and efficiently by a member.

#### **6.11 Notice to Customers**

A member shall display his Travel Agent's Licence or a copy thereof in a prominent position at each of his office.

### **Conduct Between Travel Agents and Tour Operators**

#### **7.1 Advertising and Promotions**

All advertising or other publicity initiated by a travel agent on behalf of a tour operator shall be in a form and manner agreed with by the tour operator.

#### **7.2 Collection of Tour Payment**

When booking travel arrangements, a travel agent shall forward the booking form, if appropriate, together with the deposit or credit voucher within the agreed period between tour operators and the travel agent. In addition, a travel agent shall endeavour to collect the balance due and forward it within such time limit as agreed between tour operators and the travel agent.

#### **7.3 Tickets, Documentation and Accounts**

A travel agent shall settle all tour operators' accounts without delay and in accordance with their agency agreements or booking conditions

whichever is applicable. It shall be the duty of the tour operators to pass on without undue delay to the travel agent confirmation of accounts and all other documents as well as providing any other relevant information appertaining to the package tour booked, to enable the agent to transmit these to the clients within a reasonable period before departure.

#### **7.4 Refund**

Travel agent and tour operator shall settle refunds without undue delay in accordance with paragraphs 7, 10, 11, 13 and 14 of the Code of Business Practice on Outbound Package Tours.

#### **7.5 Incentives**

Any incentives shall only be offered by a tour operator through the authorized representative of a travel agent and shall not be offered direct to a travel agent's staff without the consent of such authorized representative.

### **Infringement and Enforcement**

- 8.1 If any infringement of this General Code of Conduct for TIC Members or other Codes is alleged against a member, the facts shall be reported to the TIC Executive Office for preliminary investigation.
- 8.2 The member against whom the allegation has been made shall provide, at the request of the TIC Executive Office, such further information or documents as may be required within such a period as may be specified.
- 8.3 If, after preliminary investigation, the facts alleged against the member appear to constitute a prima facie infringement of this Code or other Codes, the facts shall be submitted to the Compliance Committee.
- 8.4 The Compliance Committee shall consist of not less than 5 directors from the Board appointed from time to time by the Board.
- 8.5 If the Compliance Committee finds that a member has infringed this General Code of Conduct or other Codes, the Committee may in the exercise of its absolute discretion penalize the member in accordance with Articles 11(3)(a) and 11(3)(b) of the Articles of Association of TIC.

## **Appeal**

- 9.1 A member aggrieved by the penalty imposed on him by the Compliance Committee may appeal to the Appeal Board in accordance with Article 12 of the Articles of Association, by giving notice of appeal in writing and paying the fine to TIC within fourteen days after notification of the Compliance Committee's decision.
- 9.2 An appeal fee of HK\$1,000 shall be paid by such member to the Appeal Board in respect of the offence for which he seeks reconsideration by the Appeal Board. The appeal fee at the discretion of the Appeal Board may be refunded to the appellant.
- 9.3 If the Appeal Board upholds the imposition of a penalty which relates to the Registrar's power or ability to grant, refuse to grant, revoke or suspend a member's licence, the member may further appeal to the Registrar of Travel Agents.
- 9.4 A member expelled shall have the right to re-apply for membership after the expiration of a period to be specified by TIC.

## **CODE OF BUSINESS PRACTICE ON OUTBOUND PACKAGE TOURS**

---

### **Objectives**

- 1.1 To ensure that the public receive the best possible service from travel agents.
- 1.2 To maintain and enhance the reputation, standing and good name of TIC and its members.
- 1.3 To encourage initiative and enterprise in the belief that properly regulated competitive trading by and between travel agents will best serve public interest and the well-being of the travel industry.
- 1.4 To ensure that public interest be predominant in all considerations of the standards of competitive trading between travel agents.
- 1.5 To encourage the growth and development of the travel industry consistently with the above objectives.

### **Principles**

- 2.1 This Code is designed to regulate activities between TIC members and the public and between members themselves in relation to outbound package tours.
- 2.2 This Code recognizes the need to regulate the operating standards and sales procedure of outbound package tours generally and to regulate competitive commercial practices that are considered by TIC to be in conflict with public interest.
- 2.3 This Code embodies measures for enforcing the standards and procedures which a member shall observe under the authority of TIC.

### **Conduct Between Travel Agents and the Public**

#### **3. Registration of Package Tour Brochures**

All brochures to be used by a member for advertising purposes must be approved by and registered with TIC two days in advance before their dispatch and the sale of tours therein advertised. A "brochure" shall mean any document which specifies the contents of a tour, holiday or other travel arrangements.

#### **4. Advertising**

All advertising and promotion by a member shall comply with the Code of Advertising Practice for Travel Agents and directives issued by the Board from time to time.

#### **5. Conditions of Tour Booking and Responsibilities**

5.1 "Conditions of Tour Booking and Responsibilities" shall define the extent of the responsibilities as well as the liabilities of a member towards clients and shall be so designed that they can be easily read and understood.

5.2 "Conditions of Tour Booking and Responsibilities" shall prominently indicate the circumstances in which and the conditions on which surcharges may be imposed on clients.

5.3 "Conditions of Tour Booking and Responsibilities" shall clearly indicate a member's general policy both in the event of his cancelling a package tour or in the event of his altering part of a package tour.

5.4 "Conditions of Tour Booking and Responsibilities" shall clearly state the amount of, or the basis for calculating the cancellation fees which clients shall be liable to incur as well as the terms and conditions under which clients shall be liable to incur such fees.

5.5 A member shall disseminate and interpret his "Conditions of Tour Booking and Responsibilities" to every client on or before confirmation of the booking or produce such information to the clients on request.

5.6 "Conditions of Tour Booking and Responsibilities" shall conform to all relevant provisions of the Code.

#### **6. Service Charges**

A member shall print all suggested service charges for tour escorts, local tour guides and drivers on the package tour price list, the amount of which to be decided by the member.

#### **7. Surcharges**

7.1 A member shall confirm all tour fare 28 days before the commencement date of all package tours except in circumstances

described in paragraph 11 below or where TIC considers as appropriate.

- 7.2 A member shall be entitled to impose an additional charge on his clients before full and final payment of a package tour has been made if:
- i. there shall be an increase in the operation costs resulting from variations in the rate of exchange exceeding 3 per cent;
  - ii. there shall be an increase in operation costs due to unforeseeable circumstances with reasonable grounds and the additional charge is proportionate to such increase.
- 7.3 If a member is entitled to impose a surcharge under paragraph 7.1 or 7.2 above, clients affected shall have the option of paying the surcharge or canceling their package tours and receiving all money paid within 7 working days.
- 7.4 A member must inform his clients promptly of his decision to impose a surcharge.

## **8. Collection of Tour Payment**

- 8.1 A member shall collect full payment of any package tours at least 21 days excluding the departure date before the commencement date of any package tour if the commencement date falls within the period commencing on the 5th day immediately before the Chinese New Year Day and ending on the 10th day immediately thereafter in each and every calendar year.
- 8.2 If the commencement date of the package tour falls on any day other than those aforesaid, a member shall collect the full payment at least 7 days in advance excluding the departure date prior to its commencement.
- 8.3 If a member fails to collect full payment in accordance with paragraphs 8.1 and 8.2 above and his clients decide to cancel their bookings, the member shall not deduct any charge and shall refund all money paid to his clients within 7 working days. (Note: this paragraph is not applicable to package tours booked within 7 days prior to their departure.)
- 8.4 A member shall collect the payment in full for any package tours booked within 7 days prior to their departure.

- 8.5 A member shall be entitled to forfeit the deposit paid by his clients for any package tours if the clients fail to settle the balance before the deadline as set by him.

**9. Levy franking**

- 9.1 All licensed members must install a franking machine.
- 9.2 All package tour receipts must be franked with a levy equivalent to a certain percentage of the outbound fare received. The Financial Secretary shall specify the percentage.
- 9.3 All receipts must be printed / chopped with a levy sentence in both English and Chinese saying: "All package tour receipts must be franked for your protection."

**10. Cancellation of Package Tour for Reasons Beyond Control of Travel Agents**

- 10.1 A member shall endeavour not to cancel any scheduled package tours.
- 10.2 If a member shall cancel a package tour prior to its commencement for reasons beyond his control, he shall inform his clients as soon as possible and refund all money paid by clients within 7 working days.
- 10.3 If a member shall cancel a package tour after its commencement for reasons beyond his control, he shall refund any unused amount of the cancelled package tour to his clients within one month after the return of his clients to Hong Kong.

**11. Material Alterations to Package Tours for Reasons Beyond Control of Travel Agents**

- 11.1 A member shall endeavour not to make any material alteration to a package tour.
- 11.2 If a member shall make a material alteration to a package tour prior to its commencement for reasons beyond his control and in which case it results in increasing the operation costs, he shall inform his clients without delay and shall give his clients the choice of either accepting the alteration with a reasonable adjustment in the tour price, or of receiving a full refund of all money paid within 7 working days. However, if it results in reducing the operation

costs, he shall offer a refund to his clients proportionate to such reduction in costs within 7 working days.

- 11.3 If a member shall make a material alteration to a package tour after its commencement for reasons beyond his control, he may impose any additional charge to his clients as a result of increase in operation costs; however, if such material alteration shall result in reducing the operation costs, he shall offer a reasonable refund to his clients proportionate to such reduction in costs within one month after completion of the package tour.

## **12. Definition of "Reasons Beyond Control"**

For the purpose of paragraph 10 and 11 above, reasons beyond control of a member shall include hostilities, political unrest, force majeure, bad weather, technical problems to transport, strikes and industrial action.

## **13. Cancellation and Alteration for Other Reasons**

- 13.1 If a member cancels a package tour to any destinations (except within the Guangdong Province) prior to its commencement for reasons other than those stated in paragraph 12, he shall notify his clients of the cancellation at least 7 days in advance excluding the departure date. Failing that he shall make a full refund of all money paid, and must also offer to pay 15 per cent of the price of the relevant package tour but not exceeding HK\$1,000 to his clients as compensation within 3 working days.
- 13.2 If a member cancels a package tour destined to Guangdong Province prior to its commencement for reasons other than those stated in paragraph 12, he shall notify his agent and client of the cancellation at least 7 days in advance excluding the departure date. Failing that he shall make a full refund of all money paid, and must also offer to pay 3 per cent of the price of the relevant package tour to the client who have paid the price of the package tour in full at the time of cancellation as compensation within 7 working days.
- 13.3 If a member shall make a material alteration to a package tour after its commencement for reasons other than those stated in paragraph 12, he shall not impose any additional charge to his clients as a result of increase in operation costs; however, if such material alteration shall result in reducing the operation costs, he shall offer reasonable refund to his clients proportionate to such reduction.

#### **14. Visa Charges**

- 14.1 If a member shall cancel a package tour, he shall refund service / handling charge for processing the visa to his clients within 3 working days. Any visa fees already incurred by the member for the clients in application for a group visa which is invalid for use by his clients individually shall also be refunded to his clients within 3 working days.
- 14.2 If a member shall cancel a package tour, he shall be entitled to deduct any visa fees already incurred by the member for the clients in application for a travel visa other than a group visa stated in paragraph 14.1.
- 14.3 If a client cancels a booking or if the tour is cancelled due to reasons beyond the control of a member, the member shall be entitled to deduct the service / handling charge and visa fees already incurred by the member for the clients in any application for a travel visa from the tour fare to be refunded.

#### **15. Tour Escort**

A member shall employ only certified outbound tour escorts for tour-escorting duties.

## **CODE OF ADVERTISING PRACTICE FOR TIC MEMBERS**

---

### **Objectives**

1. To ensure that the public receives clear and accurate information through advertising media to enable them to make a decision in choosing the service and/of purchasing a package tour from members of TIC.

### **Principles**

- 2.1 The general principle which governs all members' advertising is that it should be legal, clean, honest and truthful in all advertising media in Hong Kong.
- 2.2 Advertising material shall be clearly identifiable as an advertisement and bear the name of the member and its Travel Agent's Licence number.
- 2.3 This Code is to be applied as the minimum standard observed by all TIC members.
- 2.4 The word "advertisement" means either paid or unpaid for communication, whether in cash or in kind, addressed to the public or a section of it, the purpose of which is to influence the opinions or behaviour of those to whom it is addressed with a view to advancing the sale of any particular product or service of any member.
- 2.5 Advertisement should contain nothing which is in breach of the law of Hong Kong nor omit anything which the law requires.
- 2.6 Advertisement should contain nothing which is in breach of the General Code of Conduct for TIC Members, other Codes and Directives of TIC nor omit anything for which they require.

### **Content of Advertisement**

- 3.1 Advertisement should not unfairly attack or discredit other competitors, competitive products, advertisers, or advertisement, whether directly or by implication.
- 3.2 Advertisement shall be factually true, and shall not be misleading. No advertisement shall contain any exaggerated claim, direct or implied.

- 3.3 All descriptive claims and comparisons which relate to matters of ascertainable fact shall be capable of appropriate substantiation.
- 3.4 No advertisement should offend against good taste or decency or be offensive to public feeling.
- 3.5 No advertisement should contain information of products other than package tour/travel-related services.

### **Objectionable Advertising**

- 4.1 If the advertising expenses of a member are to be considered excessive, and which in the opinion of the Board are contrary to the public interest and/or the interest of the travel industry as a whole, TIC shall have the right to conduct a thorough investigation.

(The rates used in compiling the advertising expenses for all members will be in accordance with current market rates.)

- 4.2 If a member is found engaging in any advertising activities or practice which in the opinion of the Board are contrary to the interests of the travel industry as a whole, TIC shall have the right to take appropriate disciplinary action.

### **Brochures and Pamphlets**

- 5.1 All package tour brochures published by a member shall contain clear, comprehensive and accurate information to enable his clients to exercise an informed judgement in making their choice and must include at least the following information:

- i. all information necessary to comply with this Code and any other Codes of TIC;
- ii. the name and/or the product name (as filed with TIC Executive Office) together with the licence number of the member responsible for publishing the brochure containing the tour offered;

(The licence number should not be smaller than the smallest print of the brochure.)

- iii. the means of travel (e.g. ship, coach, train, aircraft etc) and whether they are chartered, scheduled or non-scheduled;

- iv. the destination and/or itinerary where applicable;
  - v. the date and place of departure and duration of the tour programme offered;
  - vi. the name or the type and where possible the grade of accommodation and meals offered;
  - vii. any additional facilities or special arrangements offered;
  - viii. the procedures for booking and the contractual conditions under which the booking shall be made or cancelled and the responsibilities of the member;
  - ix. the tour price and conditions under which such price can be adjusted; and
  - x. an accurate summary of the details of travel insurance offered if any or the non-coverage of such by tour price.
- 5.2 All brochures to be used by a member for advertising purposes must be registered with and approved by TIC 2 days in advance before their dispatch and the sale of the tours therein advertised.

#### **Advertising Principle for Affiliate Member**

- 6. No affiliate member shall be allowed to advertise the sale of any package tour except in the event that his name is included in an advertisement placed by a wholesaler.

#### **Infringement and Enforcement**

- 7. If a member is found to be in breach of this Code, the TIC Executive Office shall notify the member involved to withdraw any offending advertisement immediately. The case will be submitted to Compliance Committee, which may in the exercise of its absolute discretion penalize the member in accordance with Articles 11(3)(a) and 11(3)(b) of the Articles of Association of TIC.

## **CODE OF BUSINESS PRACTICE ON INBOUND PACKAGE TOURS**

---

### **Objectives**

- 1.1 To ensure that the public receive the best possible service from travel agents.
- 1.2 To maintain and enhance the reputation, standing and good name of the TIC and its members.
- 1.3 To encourage initiative and enterprise on the part of members in the belief that properly regulated competitive trading between travel agents will best serve public interest and the well-being of the travel industry.
- 1.4 To ensure that public interest and the reputation of the Hong Kong tourist industry be predominant in all considerations despite competitive trading between travel agents.
- 1.5 To encourage the growth and development of the inbound travel industry in accordance with the above objectives.

### **Principles**

- 2.1 A member shall familiarize himself with all the provisions of this Code of Business Practice.
- 2.2 A member shall act in accordance with the objectives of this Code of Business Practice.
- 2.3 A member shall comply with such Directives as may be issued by the TIC from time to time.
- 2.4 A member shall maintain a high standard in serving inbound travellers and shall comply with all relevant statutory requirements.
- 2.5 A member shall make every effort to ensure that clear and accurate information is provided to enable his clients to exercise informed judgement in making their choice of services.

### **Performance pledge**

3. A member shall sign contracts with the overseas travel agents for the benefits of both parties. The scope and standard of services provided

shall be clearly specified in the quotation and duly carried out by the member.

The contract shall include the following items:

### **3.1 Hotel accommodation**

The name, grade and type of hotels shall be specified. Alteration of hotels as a result of reasons beyond control shall be allowed provided that the hotels are not of grades inferior to the original ones.

### **3.2 Transportation**

The means of transportation shall be specified, such as air-conditioned coach, limousine, or ferry.

### **3.3 Itinerary**

The items on the itinerary shall be clearly specified. Whether the tour price includes all the admission fees and whether there are any self-paid programmes shall be specified. All scenic spots mentioned on the itinerary shall be visited. Alteration or cancellation of any item on the itinerary as a result of unforeseeable circumstances such as foul weather, traffic congestion, riots, strikes, technical problems of vehicles, and the like shall be explained to clients in detail. In the event of any alteration or cancellation of items on the itinerary resulting in an increase in operating costs, no surcharge shall be imposed on the overseas agents or clients. In the event of any alteration or cancellation of items on the itinerary resulting in a decrease in operating costs, the difference in tour price shall be reimbursed to the overseas agents or clients.

### **3.4 Meals and dining places**

The hygienic conditions of the places at which the clients dine shall be of primary concern to a member when choosing such places.

The number and type of meals served shall be specified, such as Chinese, Western or others.

### **3.5 Tour coordinators / guides**

Experienced and responsible tour coordinators / guides shall be assigned to the tour. The tour guides shall carry out the services undertaken by a member.

### **3.6 Shopping**

A member shall specify the number of shopping activities to be arranged. If the member or his staff make arrangements for or recommendations to clients regarding shopping, they shall guarantee and be responsible for the products sold at such shops.

### **3.7 Service charge**

The service charge to be paid by clients shall be specified in the contract.

### **3.8 Methods and term of payment**

The methods and term of payment shall be clearly specified in the contract.

### **3.9 Others**

A member shall bear moral obligations in general business practices not specified in the contract, such as confirming flights and assisting his clients to seek medical treatment in case of illness or accidents.

**Members of Consumer Relations Committee 消費者關係委員會成員**

**Convenor:**

Ms Gianna WONG (王美倫女士) Deputy Chairman of TIC  
香港旅遊業議會副主席

**Members:**

**Non-trade members 業外委員**

Mr CHAN Tak Chor (陳特楚先生) District Council Member  
區議員

Mr Hilton Cheong Leen (張有興先生) H Cheong-Leen & Co. (Hong Kong) Ltd.  
太平紳士

Ms Jasminia CHEUNG (張詔于女士) Member of Advisory Committee on Travel Agents  
旅行代理商諮詢委員會委員

Ms Manlo CHEUNG (張文璐女士) Blue Cross (Asia-Pacific) Insurance Ltd.  
藍十字(亞太)保險有限公司

Ms Colleen CHIK (戚寶儀女士) Dept. of Hotel, Service & Tourism Studies Hong  
Kong Institute of Vocational Education (Chai Wan)  
香港專業教育學院(柴灣分校)酒店、服務及旅遊學系高級講師

Mr David LEUNG (梁天龍先生) Tourism Queensland  
澳洲昆士蘭旅遊局局長

Mr Paul TSE (謝偉俊先生) Paul W. Tse Solicitors  
執業律師

**Trade Members 業內委員**

Ms Shirley CHAN (陳建英女士) Tai Wah Hong Travel Service Ltd.  
泰華行旅運有限公司

Mr CHOI Pat Tai (蔡百泰先生) Pak Shing Travel Co. Ltd  
百勝旅運有限公司

Mr Francis LAI (黎汝洪先生) Miramar Express  
美麗華旅運

Mr Brandon LAU (劉展強先生) P&O Travel Ltd  
鐵行旅遊有限公司

Mr LING Kam Man (凌錦文先生) Patterson Travel Ltd  
恆利旅運有限公司

Mr Eric TAM (譚以德先生) Westminster Travel Ltd  
西敏旅行社有限公司

Mr Freddy YIP (葉慶寧先生) Goldjoy Travel Ltd  
金怡旅行社有限公司

**Members of Compliance Committee 規條委員會成員**

**Convenor:**

**召集人**

TIC Director

Mr KAI Chun Kam

香港旅遊業議會理事

(解存金先生)

**Members:**

**委員**

TIC Directors

香港旅遊業議會理事

Mr Ronnie HO

(何栢靈先生)

Mr Ken CHANG

(張健明先生)

Mr Freddy YIP

(葉慶寧先生)

Mr CHAN Lup Chi

(陳立志先生)

Mr Herman HA

(夏慶文先生)

Mr Tommy TAM

(譚光舜先生)

Mr Sunny WONG

(黃照康先生)

TIC Independent Directors

香港旅遊業議會獨立理事

Mr Anthony HUNG

(洪宏道律師)

Mr Benton LAU

(劉國翹先生)

**Cases handled by the Compliance Committee in 2001**

- Case 1: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 2: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 3: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, **Warning**.
- Case 4: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, **Warning**.
- Case 5: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$3,000**.
- Case 6: Violated the Business Practice on Outbound Package Tours, Fined **HK\$3,000**.
- Case 7: Violated the General Code of Conduct for TIC Members, Fined **HK\$2,500**.
- Case 8: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$2,000**.
- Case 9: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$2,000**.
- Case 10: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$2,000**.
- Case 11: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$2,500**.
- Case 12: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 13: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, **Warning**.
- Case 14: Violated the Advertisement Control Regulations, Fined **HK\$2,000**.
- Case 15: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$3,000**.
- Case 16: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$1,000**.
- Case 17: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$1,000**.
- Case 18: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$2,000**.
- Case 19: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$2,000**.
- Case 20: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$3,000**.
- Case 21: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$3,000**.
- Case 22: Violated the Advertisement Control Regulations, Fined **HK\$1,000**.
- Case 23: Violated the Advertisement Control Regulations, Fined **HK\$8,000**.
- Case 24: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$4,000**.
- Case 25: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$2,000**.
- Case 26: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 27: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 28: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$4,000**.
- Case 29: Violated the General Code of Conduct of TIC Members, Fined **HK\$2,000**.
- Case 30: Violated the General Code of Conduct of TIC Members, Fined **HK\$8,000**.
- Case 31: Violated the General Code of Conduct of TIC Members, Fined **HK\$4,000**.
- Case 32: Violated the Memorandum and Articles of Association, Fined **HK\$10,000**.
- Case 33: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$5,000**.
- Case 34: Violated the Advertisement Control Regulations, **Warning**.
- Case 35: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$6,000**.
- Case 36: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$3,000**.

- Case 37: Violated the TIC Directives, Fined **HK\$3,000**.
- Case 38: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$1,000**.
- Case 39: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 40: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 41: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 42: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 43: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 44: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$5,000**.
- Case 45: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$5,000**.
- Case 46: Violated the Code of Advertising Practice for TIC Members, Fined **HK\$5,000**.
- Case 47: Violated the Code of Advertising Practice for TIC Members and Advertisement Control Regulations, Fined **HK\$6,000**.
- Case 48: Violated the TIC Directives, **Warning**.
- Case 49: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 50: Violated the Code of Advertising Practice for TIC Members, **Warning**.
- Case 51: Violated the General Code of Conduct for TIC Members, Fined **HK\$3,000**.
- Case 52: Violated the General Code of Conduct for TIC Members, Fined **HK\$3,000**.
- Case 53: Violated the General Code of Conduct for TIC Members, Fined **HK\$3,000**.

**LETTERHEAD OF TRAVEL INDUSTRY COUNCIL OF HONG KONG**

**Incorporated with limited liability**

Our ref no: C537/112001/IN/EL

28 November 2001

Dear Members

**List of Hong Kong travel agents receiving Chinese citizens**

The China National Tourism Administration (CNTA) has requested the Travel Industry Council of Hong Kong (TIC) to provide a list of Hong Kong travel agents which intend to provide travel services to citizens of Mainland China (hereafter called "Hong Kong receiving agents"). Such travel agents must fulfil the following requirements:

- (1) The Hong Kong receiving agents must be members of the TIC and must have obtained a Travel Agent's Licence. Such agents must submit a letter of undertaking to the TIC, undertaking to abide by the laws of Hong Kong, observe the TIC's Code of Business Practice on Inbound Package Tours, and protect the legitimate rights and personal safety of the visitors.
- (2) The Hong Kong receiving agents must sign contracts, which state the methods and terms of payment, with such Mainland tour operators as are permitted to organise outbound tours to Hong Kong for citizens of Mainland China.
- (3) The list of Hong Kong receiving agents to be compiled by the TIC will be filed with the Hong Kong Immigration Department.
- (4) Detailed itineraries, with prices clearly stated, must be prepared by the Hong Kong receiving agents and the Mainland tour operators, and filed with the TIC for registration.
- (5) The Hong Kong receiving agents must adhere to the itineraries agreed in advance

when arranging activities for the tour groups. Unless agreed by the Hong Kong receiving agents, the Mainland tour operators and the tour members, items on the itineraries cannot be altered.

- (6) Shopping sessions arranged by the Hong Kong receiving agents must follow the terms stipulated in the contracts. Tour guides of the Hong Kong receiving agents must not arrange for or induce the tour members to go to "unhealthy" venues.
- (7) The Hong Kong receiving agents must assign local tour guides to the tour groups.
- (8) Any Hong Kong receiving agents found to have violated the above requirements and complained by visitors will be penalised by the TIC in accordance with relevant rules and regulations. Should any violations be considered severe, the Hong Kong receiving agent concerned will be removed from the list.

To help members to comply with the requirements of Points 1 to 4, a copy of the Letter of Undertaking and the Itinerary Registration Form is attached. Please send the completed Letter of Undertaking and Itinerary Registration Form, together with a copy of the contract signed with the Mainland tour operator, to the TIC Executive Office by fax or by post before **15 December 2001** in order that the information about the first batch of Hong Kong receiving agents will be filed with the CNTA and the Hong Kong Immigration Department by the end of December 2001.

Thank you for your kind attention.

Yours sincerely

TRAVEL INDUSTRY COUNCIL OF HONG KONG

Joseph Tung  
Executive Director

Enclosure: A copy of the Letter of Undertaking and the Itinerary Registration Form

To: Travel Industry Council of Hong Kong

**Letter of Undertaking**  
**in relation to**  
**Provision of Travel Services to Citizens of Mainland China**

We, \_\_\_\_\_ (company name), hereby undertake to abide by the laws of Hong Kong, observe the TIC's Code of Business Practice on Inbound Package Tours, and protect the legitimate rights and personal safety of the visitors.

\_\_\_\_\_  
Signature of the authorised person  
& company chop

\_\_\_\_\_  
Date

**HETTERHEAD OF TRAVEL INDUSTRY COUNCIL OF HONG KONG**

**Incorporated with limited liability**

**Itinerary Registration Form  
For Package Tours for Citizens of Mainland China**

- Notes:**
- 1. Please complete the form in block letters.**
  - 2. Please return the form, together with a copy of each itinerary sent to the Mainland tour operator, to the TIC Executive Office for registration.**
  - 3. Tour price must be specified on the itinerary.**
  - 4. Members may be required to submit cost breakdown together with any such evidence for justification.**

---

Company Name / Trade Name: \_\_\_\_\_

Licence No.: \_\_\_\_\_ Tel No.: \_\_\_\_\_ Fax No.: \_\_\_\_\_

Address: \_\_\_\_\_

Authorised Person: \_\_\_\_\_ Position: \_\_\_\_\_

Name of the tour / travel product (please attach separate sheets if necessary):

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

---

Signature of the authorised person  
& company chop

---

Date