

**Extracts from the draft minutes of the meeting
of the Housing Panel held on 7 May 2001**

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**V Proposed amendment to the Estate Agents (Licensing) Regulation, Cap 511
(LC Paper No. CB(1) 1137/00-01(07))**

Re-entry conditions for licensees whose licences have expired

19. Mr LAU Ping-cheung expressed reservation at the proposal of exempting ex-licensees who applied for a licence not more than 24 months from the expiry date of his last licence from the educational and examination requirements. Given that other professionals such as medical practitioners and engineers were required to make annual declaration prior to renewal of licences, Mr LAU considered the 24-month period too long during which the professional knowledge of estate agents might become outdated, particularly in view of the volatile property market. Expressing similar concern, Mr Albert CHAN asked if reference had been made to other professions in making the proposed relaxation. The Chief Executive Officer/Estate Agents Authority (CEO/EAA) advised that EAA had considered the licensing systems of the accounting and the insurance trades. The latter had indicated that it would make changes similar to that by EAA. The proposed relaxation aimed to give licensees the option to leave the trade temporarily without losing their licensing credentials when they returned to the trade. She added that as the estate agent trade was not expected to experience significant changes over a period of 24 months, the professional knowledge of an estate agent who had left the trade for less than two years should not be out-dated to the extent that it would adversely affect the standards of his service. Besides, ex-licensees could have access to updated practice guidelines from the resource centres and website of EAA as well as public libraries. Pamphlets on compliance with the Estate Agents Ordinance (Cap. 511) would also be distributed to all interested parties.

20. Mr LAU was not convinced of the Administration's response. He remained of the view that the 24-month period was too long. In reply, CEO/EAA pointed out that at present, many licence holders were not doing estate agency work. It would therefore not be fair to require those who wished to re-enter the trade to satisfy the Form 5 requirement and pass the requisite qualifying examination just because they did not have the money to maintain their licences. Mr Andrew WONG said that he supported the proposed relaxation. Given that the control on estate agency work was introduced not long ago, a more lenient approach should be adopted during the initial period.

Switch between estate agent's and salesperson's licence

21. At the request of Dr LO Wing-lok, the Administration undertook to provide a paper to explain the difference between “estate agent” and “salesperson” in terms of their licensing credentials and qualifying examination.

(Post-meeting note: The Administration's response was circulated vide to members vide CB(1) 1523/00-01.)

Reduction of licence fees

22. Given that EAA would be expected to run an operating deficit in 2002/03, Mr Henry WU and Mr IP Kwok-him questioned the propriety of the proposal of reducing the level of licence fees. The Principal Assistant Secretary for Housing (1) explained that the proposal was put forward in response to the request of the trade. Notwithstanding, EAA would monitor its financial position and the licensee population carefully and would take necessary action before the cumulative reserve fund was actually depleted completely.

Others

23. Mr Albert CHAN expressed grave concern over the employment of debt collectors by estate agents to collect debts even if the debtors concerned had requested to bring their cases to court. CEO/EAA explained that the employment of debt collectors was legitimate in Hong Kong. She also noted that estate agents would only employ debt collectors if the debtors failed to abide by the court order. Nevertheless, EAA had issued guidelines to its members which prohibited estate agents from using illegal means to collect debts, particularly from third parties other than the debtors. Defaulting estate agents would be subject to disciplinary actions. As the subject fell outside the remit of the amendment regulation, CEO/EAA undertook to follow up the issue with Mr CHAN after the meeting.

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