

**For discussion
on 28 June 2005**

**Panel on Food Safety and Environmental Hygiene
Subcommittee to Study the Streamlining of Food Business Licensing**

**Report on the Licensing and Regulatory Review of
the Food Retail Business**

Purpose

This paper presents the findings and recommendations of the Retail Task Force on its review of food retail businesses.

Introduction

2. In October 2004, the EEC Subgroup on Business Facilitation set up a Retail Task Force to review and make recommendations on regulatory regimes affecting different retail sectors with a view to eliminating outdated or excessive regulation and cutting red tape. The work programme of the Retail Task Force initially covers two major aspects – food retail business (*including supermarkets/convenience stores*) and retail of medical/beauty products.

3. The Retail Task Force has completed a review of the food licensing regime affecting the food retail business, making recommendations to streamline the licensing framework and the related processes with a view to reducing the costs and burdens of compliance to the trade. The review covered 15 types of non-restaurant food licences and permits issued by the Food and Environmental Hygiene Department (FEHD). A list of these licences/permits is at **Annex A**. Issues related to setting up food retail business in premises under the Housing Authority will be covered in a separate report.

Trade's concerns

4. There were several rounds of discussions with the food retail sector (**Annex B**) which had specifically raised concerns for the need to –

- Strengthen the public consultation process when legislative proposals are introduced;
- Reduce the number of food related licences/permits;
- Shorten the lead time to obtain licences for food business;
- Simplify the licensing framework; and
- Improve the licensing process.

Overseas experience

5. Research was conducted on the licensing practices in Singapore, Victoria (Australia), UK and Shenzhen (PRC). There are major differences between the practice in Hong Kong and other jurisdictions as highlighted below –

Type of food retail licences

- Overseas operators generally require a single food establishment licence to prepare and sell a variety of raw and cooked food. In Hong Kong, operators apply for multiple licences and/or permits according to products sold.

Building and fire safety requirements

- Overseas food licensing authorities focus solely on food safety and hygiene standards. Operators will separately approach the respective authorities for fire and building safety approval. In Hong Kong, licensing requirements and conditions often embrace building, fire safety and food hygiene aspects.

Licensing lead time

- ❑ The pledges for different stages of the food licensing process in Hong Kong are slightly longer than Singapore and UK. Although Shenzhen has a longer pledged time, operators' experience suggests that the entire licensing process, including premises set-up, can be as short as one month.

Licence validity

- ❑ Similar to food licences/permits of Hong Kong, food licences of overseas jurisdictions are generally valid for one year and renewable upon expiry.

Temporary licensing arrangement

- ❑ In Hong Kong, a provisional licence, valid for 6 months, is issued when compliance of essential licensing requirements has been certified by Authorized Persons. Among the overseas countries researched, only Singapore issues temporary permission for business if outstanding requirements are not hazardous to consumers' health and safety. Temporary permission is valid for one month.

6. Details of the research results are at **Annex C**.

Recommendations

Enhancing the public consultation mechanism

7. The trade is of the view that there is insufficient public consultation prior to introducing new regulatory requirements. Bureaux/departments have selectively sought feedback from the trade and industry bodies. Not all stakeholders are given the opportunity to comment on proposed regulations and the views of the trade are not given due consideration. There were occasions that the respective bureau/department seemed to have made the decision on an issue before consultation started.

8. To address the above, the Task Force **recommends** that the public consultation procedure be formalized. An independent committee should be set up for public consultations. All stakeholders including members of the public and the trade must be invited to comment on the proposals. For proposals having a significant impact on the business sector, Regulatory Impact Assessment studies should be conducted before such proposals are submitted to the Legislative Council (LegCo), and working sessions should be held with respective stakeholders to better understand and address their concerns. All views collected, including those not accepted after consultation, as well as the reasons for not taking such views should be incorporated in the submission to LegCo for consideration in the legislative process.

Composite licensing

9. While a few food licences have unique basic requirements involving building and fire safety (e.g. bakery, fresh food provision and food factory), the licensing requirements and conditions of many licences/permits are similar. The Task Force therefore **recommends** that the licensing regime be simplified by combining the existing 12 food licences/permits for the retail of the ready-to-eat food into one composite licence as shown below. The products under the proposed composite licence do not require complex food preparation or manufacturing activities and the involvement of other departments is minimal.

| | |
|---|---|
| <ul style="list-style-type: none">▪ Chinese herb tea▪ Cut fruits▪ Meat to be eaten in raw state▪ Milk▪ Non-bottled drinks▪ Non-packaged frozen confections (e.g. soft ice-cream) | <ul style="list-style-type: none">▪ Oysters to be eaten in raw state▪ Packaged frozen confections▪ Pre-cooked food requiring re-heating facilities▪ Siu mei and lo mei▪ Sushi▪ Sashimi |
|---|---|

Ready-to-eat Food Licence

10. The main features of this proposal are that –

- One licence to cover a wide variety of food which would otherwise need separate licensing or endorsement under the present regulatory regime, thereby reducing the number of non-restaurant food licences and permits covered by this review from 15 to 4;
- Applicants to comply with the basic licensing requirements which are common to all food products allowable under the composite licence, prior to the issue of the composite licence;
- The Licensing Authority to publish all licensing requirements and conditions for different food types; and
- Licensees to be allowed to change food products to be sold without a new licence, provided that the new food item is allowable under the composite licence and the product-specific licensing requirements have been complied with.

— More details about this proposal are at **Annex D**.

Other improvement measures

11. The Retail Task Force sees room for improvement in the current licensing process and the regulatory framework to facilitate business. The Retail Task Force **recommends** that –

- A comprehensive review of the licensing requirements, including details shown on layout plans, be conducted to remove obsolete and outdated provisions. As regulations and licensing requirements are meant to be complied with, the review should take account of the practical situation and the development of the trade. The Retail Task Force also urges the Licensing Authority to proceed with the review at full speed in consultation with the industry;
- Performance pledges be extended to application processes other than food licences (e.g. food permits and layout alterations) which

have no performance pledges at present. This would help business operators plan ahead and have a reasonable expectation on the performance level of the Licensing Authority;

- An option be provided to the trade to allow for further use of private professional practitioners and registered contractors to speed up the licensing approval process, and a full licence be issued upon receipt of private certification. Nevertheless, the Retail Task Force reckons that some traders may wish to continue with the current practice by which the Licensing Authority defines the licensing requirements and conducts compliance checks prior to the issue of a licence. Hence, there are reasons to consider maintaining the current practice while greater participation of private professionals and contractors is allowed. The proposed option would require the stepping up of enforcement effort to ensure that the trade and its professionals do not compromise their social obligations;
- To transfer as many internal instructions as possible to the published set of guidelines to facilitate compliance by applicants in the licensing process. This should include the non-standard licensing requirements. A transparent set of requirements and conditions would help distill a common interpretation among applicants and their agents, existing operators and staff of licensing authority, thus minimizing inconsistency in preparing and processing applications; and
- The licensing procedures be revisited to remove the non-value added tasks and strengthen communication between offices. These minor improved measures would work together to facilitate and speed up the issue of licences/permits.

Views of the industry

12. A meeting session was recently held with representatives of the trade. They confirmed that the proposals would help improve the business environment. Some trade members stressed that consultation exercises must be conducted with no “pre-set” conclusion and consultation documents should be comprehensive, and, most importantly, they should be presented impartially without favouring any particular proposal.

13. The trade welcomed composite licensing for ready-to-eat food and greater use of private certification as these would substantially simplify the licensing regime for non-restaurant food business without compromising food hygiene and safety. The trade also wished to be involved and fully consulted when FEHD reviewed licensing requirements and processes.

Advice sought

14. Members of the Subcommittee are invited to comment on the above recommendations.

EEC Subgroup on Business Facilitation Secretariat
June 2005

Licences/Permits under Review

1. Bakery Licence and Provisional Bakery Licence
2. Chinese Herb Tea Permit
3. Food Factory Licence and Provisional Food Factory Licence
(e.g. fast food without seats)
4. Food Factory Licence and Provisional Food Factory Licence (Reheating
pre-cooked food) (e.g. snacks re-heat)
5. Fresh Provision Shop Licence and Provisional Fresh Provision Shop
Licence
6. Frozen Confection Factory Licence and Provisional Frozen Confection
Factory Licence
7. Frozen Confection Permit (Pre-packed ice cream)
8. Milk Permit
9. Non-bottled Drinks Permit
10. Restricted Food Permit (Sale of Sashimi)
11. Restricted Food Permit (Sale of Sushi)
12. Restricted Food Permit (Sale of Oyster)
13. Restricted Food Permit (Sale of Meat to be eaten in raw state)
14. Restricted Food Permit (Cut fruit)
15. Siu Mei and Lo Mei Shop Licence / Provisional Siu Mei and Lo Mei
Shop Licence

Participants of Interviews and Focus Groups

Trade representatives

1. 7-Eleven Division, The Dairy Farm Company Limited
2. China Resources Vanguard (Hong Kong) Co., Limited
3. Circle K Convenience Stores (Hong Kong) Limited
4. City Super Limited
5. Dah Chong Hong Limited
6. King Bakery Holdings Limited
7. Maxim's Caterers Limited
8. Mister Softee Food Products Co., Limited
9. ParknShop Supermarket
10. Wellcome Supermarket
11. Yu Kee Food Co., Limited

Industry associations

12. Chiu Chow Overseas Food Trade Merchants Association Limited
13. Hong Kong Federation of Restaurants & Related Trades
14. The Hong Kong Food Council Limited

Key Features in the Licensing Regimes for Retail Food Business in Hong Kong and Overseas Countries

| Hong Kong | |
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| Policy intent (<i>purpose of licence</i>) | <p>To ensure:</p> <ul style="list-style-type: none"> ▪ A good standard of hygiene at the premises ▪ The wholesomeness of the food supplied therefrom ▪ The premises are structurally safe and suitable from fire safety point of view* <p>* <i>Not required for Permits and Siu mei & lo mei shop licence</i></p> |
| <p>Main licences required</p> <p><i>(Note: For list of other common licences required, please refer to end of this table)</i></p> | <p><i>Note: HK does not have a supermarket licence per se. Operators apply for licences according to products sold.</i></p> <p>Licences and permits required include:</p> <p><u>Licences (also provisional licences)</u></p> <ul style="list-style-type: none"> ▪ Bakery licence ▪ Food factory licence ▪ Fresh food provision licence ▪ Frozen confections factory licence ▪ Siu mei & lo mei shop licence <p><u>Permits</u></p> <ul style="list-style-type: none"> ▪ Frozen packaged confections permit ▪ Milk permit ▪ Non-bottled drinks permit ▪ Various restricted food permits |
| Issuing authority | Food and Environmental Hygiene Department |
| Licence validity | <ul style="list-style-type: none"> ▪ Full licence and permit: 1 year, renewable ▪ Provisional licence: 6 months |

| Hong Kong | |
|------------------------|---|
| Licence fee | <p>Varies according to the type of licence and floor area. There is also a fee differential for shops in Urban and the New Territories districts.</p> <ul style="list-style-type: none"> ▪ Full licence: \$2,710 to \$258,870 – <i>based on floor area and district</i> ▪ Provisional licence: \$1,355 to \$129,435 – <i>based on floor area and district</i> ▪ Permits: \$540 (<i>Urban</i>) to \$755 (<i>New Territories</i>) |
| Application duration | <p style="text-align: right;">process</p> <p>FEHD Pledges:</p> <ul style="list-style-type: none"> ▪ <i>Acceptance of licence application → Site inspection: 7 working days</i> ▪ <i>Confirmation of premises suitability from other agencies → Issue letter of requirements: 7 working days</i> ▪ <i>Notification of compliance → Site inspection: 8 working days</i> ▪ <i>Final site inspection → Issue of full licence: 7 working days</i> ▪ <i>Receipt of certificates of compliance → Issue of provisional licence: Same day</i> <p>No pledge for permits.</p> |
| Licence pre-requisites | <p style="text-align: right;">application</p> <p><u>Upon submission of licence/permit application</u></p> <ul style="list-style-type: none"> ▪ Application in writing or standard form ▪ Scaled layout plan (or sketch layout for permits) <p><u>Prior to issuance of licence</u></p> <ul style="list-style-type: none"> ▪ Documentary proof of hygiene course attended by supervisor (<i>not required for permits</i>) <p><u>Additional requirements for Bakery and Food Factory licence</u></p> <ul style="list-style-type: none"> ▪ Copy of approved building plan indicating communal sanitary fittings ▪ Copy of electrical installation certification/endorsement ▪ Fire Services Certificate issued by FSD ▪ Copy of certificate of compliance and certificate of completion issued by gas contractors (<i>Food Factory licence only</i>) ▪ Copy of certificate of communal sump and pump tank fitted with 2 sets of motors and pumps (<i>Food Factory licence only</i>) |

| Hong Kong | |
|---|--|
| Site inspection for licence approval | <ul style="list-style-type: none"> ▪ Premises to be assessed for suitability prior to commencement of fit-out works and the issue of letter of requirements ▪ Final verification inspection carried out by respective departments for hygiene and premises safety, compliance of requirements by FEHD and FSD (<i>separately or jointly</i>) ▪ Licences will only be issued when FEHD receives compliance notice from other authorities |
| Are buildings and fire safety approval pre-requisites for supermarket licensing? | <p>Yes.</p> <p>Premises must be suitable in terms of building structure and means of escape. Fire Safety Certificate is required for certain licences¹.</p> |
| Temporary or provisional licensing | Yes – 6 months provisional licence. |
| <p>Other common licences or permits that may be required</p> <p><i>(Note: This is not intended to be a comprehensive list.)</i></p> | <p><u>Product-specific</u></p> <ul style="list-style-type: none"> ▪ Licence for listed sellers of poison ▪ Pesticide licence ▪ Retailer licence in Chinese herbal medicines <p><u>Others</u></p> <ul style="list-style-type: none"> ▪ Business registration certificate ▪ Coin-operated automatic vending machine permit ▪ General restaurant licence (Food Court) ▪ Import licence/permits ▪ Licence for storage of dangerous goods ▪ Light refreshment restaurant licence (Café Counter) ▪ Liquor licence ▪ Mobile radio system mobile station licence ▪ Permit to use and operate kiddie ride ▪ Registration of boilers and pressure vessels ▪ Trade promotion competition licence ▪ Water pollution control ordinance. <p><i>Source: BLIC and trade</i></p> |

¹ A Fire Services Certificate is a pre-requisite for application of Bakery Licence and Food Factory Licence, but not others.

| Singapore | |
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| Policy intent (<i>purpose of licence</i>) | To ensure cleanliness, food safety, and prevent food-borne diseases |
| Main licences required <i>(Note: For list of other common licences required, please refer to end of this table)</i> | <p><u>Supermarket licence</u></p> <ul style="list-style-type: none"> ▪ Sale and preparation of raw and cooked foods ▪ Counters or stalls within the supermarket selling cooked foods such as confectionery, roast meats, sushi, etc. <p><u>Factory permit</u></p> <p>For supermarkets with preparation area like fresh meat, deli, food processing that involves machinery.</p> |
| Issuing authority | <p>National Environment Agency (<i>under the Ministry of Environment</i>) – <i>for supermarket licence</i></p> <p>Ministry of Manpower, Occupational Safety Dept – <i>for factory permit</i></p> |
| Licence validity | 1 year, renewable |
| Licence fee | <p><u>Supermarket licence</u></p> <ul style="list-style-type: none"> ▪ Area < 200 sqm: S\$250 (~HK\$1,180) ▪ Area > 200 sqm: S\$500 (~HK\$2,370) |
| Application process duration | <p>NEA pledge:</p> <ul style="list-style-type: none"> ▪ <i>Submission of <u>qualified application</u>² with all the required supporting documents → First site inspection: 5 working days</i> ▪ <i>Site inspection → Issuance of licence: 2 working days</i> <p>Normally the elapse time from submission of application to issuance of full licence or temporary permission is ~3 weeks to 1 month. However, process duration will very much depend on the timeline for setting up a store.</p> |

² Process duration may be longer if re-inspection or re-submission of required documents is required.

| Singapore | |
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| Licence application pre-requisites | <p>Upon submission of application</p> <ul style="list-style-type: none"> ▪ Scaled layout plan, showing preparation area for various food categories (<i>meat, seafood, bakery, etc</i>), toilets, stores, etc. ▪ Documentary proof of typhoid vaccination for all food handlers ▪ Detailed schedule of cleaning, pest control and waste disposal programs ▪ Photocopy of Food Hygiene Course Certificate (<i>or registered enrolment form</i>) of food handlers ▪ Eligibility of applicant. Only local residents and registered business are eligible to apply <p><u>Prior to issuance of licence</u></p> <ul style="list-style-type: none"> ▪ Compliance of list of health requirements for set up of premises. |
| Site inspection for licence approval | <ul style="list-style-type: none"> ▪ NEA conducts the 1st site inspection after application form and supporting documents are processed, and issues a list of health requirements for compliance, to facilitate the renovation or set up of premises ▪ When premises set-up is completed, NEA will conduct final site inspection to verify the compliance of health requirements ▪ Upon verification of health requirements, the licence will be issued. |
| Are buildings and fire safety approval pre-requisites for licensing? | <p>No.</p> <p>Operator still needs to ensure premises safety, and are required to approach various authorities for requirements and approvals.</p> |
| Temporary or provisional licensing | <p>Yes – 1 month, as long as the outstanding requirements are not considered hazardous to consumers.</p> <p>NEA inspectors will conduct a subsequent follow-up site visit to ensure full compliance. If operator does not comply with all requirements by the end of 1 month, s/he may appeal for an extension if a valid reason is given. Otherwise the permission may be suspended upon re-inspection.</p> |

| Singapore | |
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| <p>Other common licences or permits that may be required</p> <p><i>(Note: This is not intended to be a comprehensive list.)</i></p> | <p><u>Product-specific</u></p> <ul style="list-style-type: none">▪ Tobacco retail licence▪ Liquor licence <p><u>Others</u></p> <ul style="list-style-type: none">▪ Advertisement licence▪ Business registration▪ General radio communication station licence▪ Localised/Wide-area private network licence▪ Music licence▪ Non-Residential TV licence. <p><i>Source: www.business.gov.sg, RTF member</i></p> |

| United Kingdom | |
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| Policy intent (<i>purpose of licence</i>) | <p><u>Food premises registration</u></p> <p>To maintain up-to-date register of food businesses, and facilitate enforcement of food safety regulations</p> <p><u>Butchers licence</u></p> <p>To prevent cross-contamination from raw meat to ready-to-eat food</p> |
| Main licences required (<i>Note: For list of other common licences required, please refer to end of this table</i>) | <p><u>Food premises registration</u></p> <ul style="list-style-type: none"> ▪ To operate food premises. Councils cannot refuse registration ▪ Supermarkets with more than one food outlet within the store (<i>e.g. partitioned off area for butchery, fish shop, green grocer</i>) need to register each outlet separately ▪ There is no need for a separate business registration <p><u>Butchers licence</u></p> <p>For premises that handle or sell unwrapped raw meat AND ready-to-eat (cooked) foods³.</p> |
| Issuing authority | Local city council |
| Licence validity | 1 year, renewable |
| Licence fee | <p>Food premises registration is free</p> <p>Butchers licence: £100 (~HK\$1,460)</p> |
| Application process duration | Butchers licence: Pledge written notification within 28 days |

³ No licence is required if the raw meat is pre-packed and not directly handled at the premises, and if premises only sell raw meat.

| United Kingdom | |
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| Licence application pre-requisites | <p><u>Food premises registration</u></p> <p>Premises must be registered with the local authority at least 28 days prior to opening.</p> <p><u>Butchers licence</u></p> <p>Application must be submitted at least 28 days before the licence is required.</p> <p>Licence application must include:</p> <ul style="list-style-type: none"> ▪ Location and building layout plan ▪ Description of operation activity (<i>type of meat, estimated throughput, type of activity, storage details</i>) ▪ Description of operation and arrangements and HACCP⁴ control procedures (<i>including maintenance, cleaning, water quality, satisfactory water test result, pest control, etc.</i>) ▪ Number of staff, staff training and health monitoring procedures (<i>including medical certificates for all staff</i>) ▪ Record keeping procedures (<i>of HACCP procedures and staff hygiene training</i>) |
| Site inspection for licence approval | <ul style="list-style-type: none"> ▪ Site inspection by licensing authorities (<i>Veterinary Meat Hygiene Advisor, accompanied by Meat Hygiene Service representative</i>) to ensure compliance of health requirements. |
| Are buildings and fire safety approval pre-requisites for licensing? | <p>No.</p> <p>Operator still needs to ensure premises safety, and they are required to approach various authorities for requirements and approvals.</p> |
| Temporary or provisional licensing | None |

⁴ HACCP stands for Hazard Analysis and Critical Control Point.

| United Kingdom | |
|---|--|
| <p>Other common licences or permits that may be required</p> <p><i>(Note: This is not intended to be a comprehensive list.)</i></p> | <p><u>Product-specific</u></p> <ul style="list-style-type: none">▪ Liquor licence▪ Excise Game licence▪ Game Dealer licence <p><u>Others</u></p> <ul style="list-style-type: none">▪ Petrol licence▪ Public entertainment licence▪ Television licence▪ Two-way radio licence. <p><i>Source: UK contact supplied by a RTF member</i></p> |

| Australia (Victoria) | |
|--|--|
| Policy intent (<i>purpose of licence</i>) | To ensure food safety and free from contamination |
| Main licences required <i>(Note: For list of other common licences required, please refer to end of this table)</i> | <p><u>Food business registration</u></p> <ul style="list-style-type: none"> ▪ To operate a food business involved in handling food or selling pre-packaged food ▪ Businesses cannot operate without prior site inspection and approval by the council ▪ There is no need for a separate business registration. |
| Issuing authority | Local city council |
| Licence validity | 1 year, renewable |
| Licence fee | <p>Fees vary from city to city. Some may specify that fees cover the cost of assessing plans and a fixed number of site inspections. Extra fees will be charged for additional site inspections required.</p> <p>E.g., Dandenong City charges A\$165 (~HK\$980) application fee, which covers up to 3 site inspections. A\$50 will be charged for any additional site visit thereafter.</p> |
| Application process duration | [Not available] |
| Licence application pre-requisites | <p><u>Upon submission of application</u></p> <ul style="list-style-type: none"> ▪ Town planning permit (from Town Planning Department) ▪ Premises floor plan, must be approved by the Health Department prior to renovation works <p><u>Prior to issuance of licence</u></p> <ul style="list-style-type: none"> ▪ Food Safety Program⁵ must be audited by an approved Food Safety Auditor, or compliance checked by the authority. |

⁵ **Food Safety Program** must outline how the business will manage food safety, and should be based on HACCP principles, and needs to outline transport, storage, handling of food and related equipment, and staff hygiene. Special conditions are set out for handling, display and serving of foods such as Chinese roast (e.g. meat, chicken), sashimi/sushi, rotating spit (kebabs).

| Australia (Victoria) | |
|---|---|
| Site inspection for licence approval | <ul style="list-style-type: none"> ▪ Fit-out works can only commence when application and plans are assessed and approved by the council ▪ Council must conduct a final inspection for approval before the business can commence business. |
| Are buildings and fire safety approval pre-requisites for licensing? | <p>No.</p> <p>Operator still needs to ensure premises safety, and it is required to approach various authorities for requirements and approvals.</p> |
| Temporary or provisional licensing | None |
| <p>Other common licences or permits that may be required</p> <p><i>(Note: This is not intended to be a comprehensive list.)</i></p> | <p><u>Product-specific</u></p> <ul style="list-style-type: none"> ▪ Cameo Ham licence ▪ Liquor licence ▪ Tobacco retailers licence <p><u>Others</u></p> <ul style="list-style-type: none"> ▪ Licence to keep dangerous goods ▪ Permit to conduct a trade promotion. <p><i>Source: www.transactions.business.gov.au</i></p> |

| PRC (Shenzhen) | |
|--|---|
| Policy intent (<i>purpose of licence</i>) | To ensure food safety |
| Main licences required <i>(Note: For list of other common licences required, please refer to end of this table)</i> | <p><u>Food hygiene certificate</u> Food retail activities in supermarket, such as sale of fresh meat, cooked food, fast food, pickles, sushi making and selling, etc.</p> <p><u>Animal quarantine certificate</u> For retail sale of meat, poultry products</p> <p><u>Licence to sell salt</u> For retail sale of salt</p> |
| Issuing authority | <ul style="list-style-type: none"> ▪ Food Hygiene Certificate – Public Health Bureau (PHB) ▪ Animal Quarantine Certificate – Animal & Plant Quarantine Bureau ▪ Licence to Sell Salt – Salt Management & Supervision Bureau |
| Licence validity | <ul style="list-style-type: none"> ▪ Food Hygiene Certificate and Animal Quarantine Certificate – 1 year, renewable ▪ Licence to Sell Salt – Not available |
| Licence fee | <ul style="list-style-type: none"> ▪ Food Hygiene Certificate – RMB10 ▪ Animal Quarantine Certificate and Licence to Sell Salt – Not available |
| Application process duration | <p><u>Food Hygiene Certificate</u></p> <ul style="list-style-type: none"> ▪ PHB endorses or provides comments and suggestions on revisions within 5 working days from receipt of layout plans ▪ Conducts site inspection within 10 working days from notification by the applicant of full compliance ▪ Approves applications within 20 working days upon satisfactory compliance inspection ▪ Based on the operator’s experience, the entire process, including premises set-up, may be as short as 1 month <p><u>Animal Quarantine Certificate and Licence to Sell Salt</u></p> <ul style="list-style-type: none"> ▪ Not available |

| PRC (Shenzhen) | |
|--|--|
| Licence application pre-requisites | <ul style="list-style-type: none"> ▪ Application and layout plans for Environment Hygiene Certificate (EHC). Layout plan for the EHC is premises-related and focuses on air-conditioning, ventilation, drainage, and environment hygiene. The certificate is issued by PHB and the application processing is similar to that of the Food Hygiene Certificate (FHC) ▪ Application and layout plans for FHC. Layout plan for FHC focuses on food processing and handling components and requires more detailed information of relevant equipment and their siting within the premises. ▪ Certifications of food product suppliers (<i>e.g. copy of hygiene inspection report of manufacturer</i>) and/or certifications of food products (<i>e.g. pesticide free report for vegetables</i>). ▪ Basic report on hygiene training and health condition of staff. |
| Site inspection for licence approval | <ul style="list-style-type: none"> ▪ PHB conducts site inspection to check layout design after accepting an application. ▪ Conducts compliance inspection. |
| Are buildings and fire safety approval pre-requisites for licensing? | <ul style="list-style-type: none"> ▪ Premises are designated for specific use. When a supermarket operates in designated premises, there is no specific requirement on building safety. ▪ Fire safety approval is not a pre-requisite for supermarket licensing but it is needed for Business Licence. The Fire Protection Bureau assesses layout, inspects and tests installations. It also inspects physical layout of equipment and goods and tests fire safety related knowledge of staff. The Bureau pledges to conduct compliance inspection within 10 working days from receipt of an application for inspection. |
| Temporary or provisional licensing | None |

| PRC (Shenzhen) | |
|---|---|
| <p>Other common licences or permits that may be required</p> <p><i>(Note: This is not intended to be a comprehensive list.)</i></p> | <p><u>Pre-requisites for business operations</u></p> <ul style="list-style-type: none">▪ Business Licence▪ Code of Legal Person Certificate <i>(for tax filing purposes)</i>▪ Environment Hygiene Certificate▪ Fire Protection Safety Approval Certificate▪ Sewerage Drain Licence <p><u>Other product related</u></p> <ul style="list-style-type: none">▪ Tobacco Retail Licence▪ Alcohol Retail Licence▪ Licence to Sell Books/Magazines/Newspapers▪ Audio-visual Products Retail Licence <p><u>Promotion and advertising</u></p> <ul style="list-style-type: none">▪ Approval for Setting Up Promotion Activities <i>(in front of store)</i>▪ Outdoor Advertisement Signboard Registration Licence. <p><i>Source: a supermarket operator at Shenzhen</i></p> |

Composite Licensing

The proposal

- ❑ It will initially cover 12 ready-to-eat food items. Other food items could be incorporated depending on the development of the industry. Primarily, the food items allowable under the ready-to-eat food composite licence should not involve complex preparation or manufacturing processes.
- ❑ FEHD will categorically define and publish the basic licensing requirements and the product-specific requirements for all food items under the ready-to-eat food licence. The basic licensing requirements are applicable to all food items.
- ❑ When an applicant first applies for a ready-to-eat food licence for a particular establishment, he has to satisfy the licensing authority that all basic licensing requirements are fully complied with. He also has to comply with the specific requirements for the food items he intends to sell, before a ready-to-eat food licence is issued.
- ❑ If a licensee wishes to change the food product subsequently, he is not required to apply for a new licence provided that the following conditions are met –
 - there is no layout change affecting fire or building safety;
 - the basic health and hygiene requirements attained under the first-time application are maintained;
 - the licensee confirms compliance with the specific requirements of the new product to be sold, in accordance with the standards and guidelines published by FEHD; and
 - the licensing authority is notified of the intended change prior to product change and the licensee has received acknowledgement from the former.

Mechanics for the proposal

To implement the proposed licensing regime, it is important that an adequate enforcement mechanism is set up to allow FEHD to take prompt corrective and punitive action. Detailed licensing requirements and conditions for each product under the composite licence should also be made available to the public.

Stepping up enforcement

The licensing authority should be empowered to take the following enforcement actions against non-compliance –

- Issue of Improvement Notices requiring rectification to non-compliance within a specified timeframe;
- Issue of Prohibition Orders barring the conduct of specified activities, sale of specified products, etc.; and
- Suspension or cancellation of a licence for repeated offences or serious violation that affects the overall hygiene or safety.

The requirement for licensees to notify the licensing authority in advance of change in product mix also provides an opportunity for FEHD to conduct inspection, if in doubt.

Transparent licensing requirements

FEHD has to regularly update requirements for the ready-to-eat food licence. Trade and new licence applicants should be provided with ready access to all these licensing requirements and conditions.

Licensees may conduct minor changes to the layout to facilitate the sale of new or additional products. In most cases, such works do not affect fire or building safety. The published guidelines should enable licensees to carry out the required work without first seeking consent from the licensing authority.