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Home Affairs Department

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1 February 2007

Secretary General Legislative Council Secretariat Legislative Council Building 8 Jackson Road Central Hong Kong (Attn: Ms Dora WAI)

Dear Ms Wai,

Motion debate on

"Implementing a licensing regime for property management companies and establishing a Building Affairs Tribunal"

I refer to your letter dated 9 November 2006 that asked for a progress report with regard to the captioned motion. I hereby reply as follows.

Implementing a licensing regime for property management companies

Concerning whether a licensing regime for property management companies should be established, the Government has an open stance. In order to have a more informed deliberation on the matter, the Government has launched a phased consultancy study on the subject of introducing a regulatory scheme for We are now conducting the first-phase the property management industry. study, which mainly focuses on the following three areas:

- the present situation of the property management industry in Hong Kong; (a)
- the overseas practices in regulating property management companies; and (b)

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(c) the regulatory regime for other comparable industries / professionals in Hong Kong.

It is expected that the first-phase study will be completed in around June 2007. Based on the result of this study, we will conduct the second phase of the study, objective of which will be to assess the need for a regulatory scheme. In considering the matter, we will also take into account the views expressed by the various Members during the motion debate held on 8 November 2006. Upon the conclusion of the first-phase study, we will report the findings to the Panel on Home Affairs.

Establishing a Building Affairs Tribunal

The issue of establishing a Building Affairs Tribunal is under the purview of the Housing, Planning and Lands Bureau (HPLB).

According to HPLB, they are examining with the relevant departments in detail the proposal of establishing a Building Affairs Tribunal. HPLB is now carefully studying the motion moved, the views expressed by Members during the motion debate as well as the results of the public consultation.

HPLB will examine in detail the views received from various parties, including public calls for a mechanism not involving legal representatives and the hope that under a new channel, both the time required for processing disputes in court and the legal costs incurred could be reduced. However, some took the view that the establishment of a separate mechanism might overlap with the existing ones, unnecessarily complicating the court or tribunal proceedings. Public opinions on the operation of the Lands Tribunal were also received during the consultation period.

HPLB is deliberating and taking follow-up action on the aforementioned views and will announce the results upon completion of their work.

Yours sincerely,

(Miss Joyce KOK)
for Director of Home Affairs

c.c.: Secretary for Home Affairs (Attn: Mr Kevin Yeung)
Secretary for Housing, Planning and Lands (Attn: Miss Agnes Ho)
Director of Administration