

For information**Legislative Council Panel on Economic Development
“Refund Protection Scheme (Registered Shops) for Mainland China’s
Inbound Tour Group Shoppers”****Purpose**

At the Panel meeting on 24 November 2008, a Member suggested that the Administration should review whether the “Refund Protection Scheme (Registered Shops) for Mainland China’s Inbound Tour Group Shoppers” should continue. This paper provides the requisite information.

Enhancing Consumer Protection for Mainland Visitors

2. In early April 2007, the Mainland media reported incidents of sales malpractices encountered by Mainland visitors in Hong Kong, which led to widespread public concern both in the Mainland and locally. The Government was deeply concerned about such incidents and, in collaboration with the Travel Industry Council of Hong Kong (TIC), the Hong Kong Tourism Board (HKTB) and the Consumer Council (CC), promptly implemented a series of measures to stamp out sales malpractices and to promote “honest and quality tourism”. These measures include improving consumer protection legislation, stepping up enforcement against deceitful sales practices and sales of counterfeit goods, promoting “Honest and Quality Hong Kong Tours”, educating tourists to be “smart shoppers” and enhancing co-operation with relevant Mainland authorities.

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3. On industry regulation, the Tourism Commission, TIC, HKTB and CC deliberated and reached consensus on measures to strengthen trade regulation. One of the measures introduced by TIC was to extend the protection of the “100% Refund Guarantee” from 14 days to six months to allow sufficient time for Mainland visitors to seek redress. This measure was put in place on 15 June 2007. Under the new “Refund Protection Scheme (Registered Shops) for Mainland China’s Inbound Tour Group Shoppers” (the Scheme), group visitors from the Mainland can seek a full refund within six months of purchase if they are not satisfied with their purchases, upon production of the original receipt and return of the purchased item, which must remain in good condition. The Scheme is widely supported by the public, the

Government, the local organisations concerned and the Mainland tourism authorities.

4. According to the information provided by TIC, over the past 18 months since the implementation of the Scheme, shopping-related complaints from Mainland group visitors have dropped significantly¹, demonstrating the effectiveness of the above measure in protecting the consumer rights of Mainland visitors.

5. When the Scheme was first implemented, some shops were concerned that it might be abused by tourists and would create operational difficulties. TIC communicated with the shops to address their concerns and explained the safeguards that had been built into the Scheme to prevent abuses. For instance, any returned goods must be free from damage and wear-and-tear.

6. TIC's Committee on Shopping-related Practices (the Committee) has been closely monitoring the operation and effectiveness of the Scheme since its implementation, and has conducted regular reviews. In the light of the significant reduction in complaints received, general support of the community and the effectiveness of the safeguards that are built into the Scheme in preventing abuses, the Committee re-affirms that the Scheme should continue.

Way Forward

7. The Scheme is a major initiative of the tourism industry to promote "honest and quality tourism" and enhance consumer protection for Mainland visitors. The China National Tourism Administration is highly supportive of the efforts of the Government and tourism industry in this regard. The Government supports TIC to continue with the Scheme so as to uphold Hong Kong's reputation as a "shoppers' paradise".

8. Members are invited to note the contents of this paper.

Tourism Commission
Commerce and Economic Development Bureau
January 2009

¹ The new Scheme came into operation on 15 June 2007. Between 1 January 2006 and 14 June 2007, TIC received 905 complaints from Mainland tour group visitors concerning shopping. After implementation of the new Scheme, between 15 June 2007 and 31 December 2008, TIC received 97 complaints from Mainland tour group visitors concerning shopping.