

**立法會**  
**Legislative Council**

LC Paper No. CB(1)2302/09-10  
(These minutes have been seen  
by the Administration)

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**Panel on Economic Development**

**Minutes of meeting held on  
Monday, 24 May 2010, at 10:45 am  
in Conference Room A of the Legislative Council Building**

**Members present** : Hon Jeffrey LAM Kin-fung, SBS, JP (Chairman)  
Hon Paul TSE Wai-chun (Deputy Chairman)  
Hon Fred LI Wah-ming, SBS, JP  
Hon CHAN Kam-lam, SBS, JP  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon Andrew LEUNG Kwan-yuen, SBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon CHIM Pui-chung  
Hon Starry LEE Wai-king  
Hon Paul CHAN Mo-po, MH, JP  
Dr Hon LEUNG Ka-lau  
Hon IP Wai-ming, MH  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP  
Dr Hon Samson TAM Wai-ho, JP  
Hon Tanya CHAN  
Hon Albert CHAN Wai-yip

**Members attending** : Hon James TO Kun-sun  
Hon WONG Kwok-hing, MH

**Members absent** : Hon Albert HO Chun-yan  
Dr Hon David LI Kwok-po, GBM, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Ronny TONG Ka-wah, SC

**Public officers  
attending**

: Agenda Item IV

Mrs Rita LAU, JP  
Secretary for Commerce and Economic Development

Miss Yvonne CHOI, JP  
Permanent Secretary for Commerce and Economic  
Development (Commerce, Industry and Tourism)

Mr Gregory SO, JP  
Under Secretary for Commerce and Economic  
Development

Mr Richard YUEN, JP  
Commissioner of Customs and Excise

Ms Linda SO, JP  
Deputy Secretary for Commerce and Economic  
Development (Commerce and Industry)

Mr YAU Kin-chung  
Principal Assistant Secretary for Commerce and  
Economic Development (Commerce and Industry)

Mr S Y CHEUNG  
Head of Trade Controls  
Customs and Excise Department

Agenda Item V

Mrs Rita LAU, JP  
Secretary for Commerce and Economic Development

Mr Philip YUNG, JP  
Commissioner for Tourism

Mrs Laura ARON  
Assistant Commissioner for Tourism

**Attendance by  
invitation**

: Agenda Item V

Travel Industry Council of Hong Kong

Mr Michael WU, MH  
Chairman

Mr Joseph TUNG, JP  
Executive Director

**Clerk in attendance** : Ms Debbie YAU  
Chief Council Secretary (1)6

**Staff in attendance** : Mr Timothy TSO  
Assistant Legal Adviser 2

Ms Angel SHEK  
Senior Council Secretary (1)1

Ms Michelle NIEN  
Legislative Assistant (1)9

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Action

**I Confirmation of minutes and matters arising**  
(LC Paper No. CB(1)1916/09-10 - Minutes of meeting held on  
26 April 2010)

The minutes of the meeting held on 26 April 2010 were confirmed.

**II Information paper issued since last meeting**  
(LC Paper No. CB(1)1812/09-10(01) - Tables and graphs showing the  
import and retail prices of major  
oil products from April 2008 to  
March 2010 furnished by the  
Census and Statistics Department)

2. Members noted the above information paper issued since the last regular meeting.

**III Items for discussion at the next meeting**  
(LC Paper No. CB(1)1910/09-10(01) - List of outstanding items for  
discussion)

LC Paper No. CB(1)1910/09-10(02) - List of follow-up actions)

3. The Chairman referred members to the list of items for discussion at the Panel meeting on 28 June 2010:

(a) Competition Bill

- (b) Framework Agreement on Hong Kong/Guangdong Co-operation –
  - (i) tourism co-operation
  - (ii) logistics development
- (c) Introduction of petrol of lower octane level by oil companies
- (d) Midfield development of the Hong Kong International Airport

4. The Chairman suggested and members agreed that the Panel could discuss items (a) and (b) at the next regular meeting on 28 June 2010, since items (c) and (d) could be discussed at a later meeting. The Chairman advised that the Commerce and Economic Development Bureau had indicated that it might propose one to two items for discussion at the July meeting, and the agenda for the July meeting could be discussed in June.

5. In view of the heavy agenda of the June meeting, members agreed the meeting on 28 June 2010 should start at 10:00 am instead of 10:45 am.

*(post-meeting note : With the concurrence of the Chairman, the Administration had provided an information paper regarding item (d) on the midfield development of the Hong Kong International Airport, which was circulated to Panel members on 31 May 2010 vide LC Paper No. 2086/09-10(01).)*

#### **IV Strengthening consumer protection legislation against unfair trade practices: broad directions of the review**

(LC Paper No. CB(1)1910/09-10(03) - Administration's paper on strengthening consumer protection legislation to tackle unfair trade practices: broad policy directions

LC Paper No. CB(1)1910/09-10(04) - Paper on review of consumer protection legislation prepared by the Legislative Council Secretariat (updated background brief))

LC Paper No. CB(1)1985/09-10(02) - Letter from Hon Starry LEE *(Tabled at the meeting and issued via email on 24 May 2010)* Wai-king dated 18 May 2010 (Chinese version only))

#### Briefing by the Administration

6. At the invitation of the Chairman, the Secretary for Commerce and Economic Development (SCED) briefed members on the broad policy directions to

strengthen consumer protection legislation. She said that in order to deal with inadequacies in tackling commonly seen unfair trade practices in an expeditious and effective manner, the Government considered that a more pragmatic approach was to strengthen existing legislation and institutions. The Administration had explained the rationale of this approach during the motion debate on "Establishing a comprehensive consumer protection regime" at the Council meeting on 6 January 2010. The Government's proposal was to expand the coverage of the Trade Descriptions Ordinance (Cap. 362) (TDO) to include indications in respect of services in consumer transactions. Apart from combating false indications on services, the improvement proposals would also tackle other unfair trade practices, i.e. misleading omissions, aggressive or high-pressure practices, "bait-and-switch" and "accepting payment without the intention or ability to supply the contracted goods or services". New or specific criminal offences in TDO would be created to prohibit these unfair trade practices. On enforcement, SCED said that to capitalize on and put to the best use its expertise and enforcement experience, it was recommended that the Custom and Excise Department (C&ED) be designated as the enforcement agency for the new offences to be created. Separately, the Government would also consider introducing a compliance-based enforcement mechanism to complement the criminal sanctions provided in TDO.

7. SCED further said that having regard to the local market situation and consumer expectation, it was recommended that a targeted approach be adopted if cooling-off arrangements were to be imposed by statute. Under this approach, the Government was inclined towards imposing cooling-off arrangements on transactions of time share rights in the light of their complexity and novelty to consumers in Hong Kong, as well as contracts made during unsolicited visits to consumers' homes or places of work since consumers might be caught off-guard in such situations. The Government did not recommend imposing mandatory cooling-off arrangements across the board as it would have far reaching implications which would adversely affect business operation and give rise to moral hazard. SCED further said that the Government was now in the process of formulating detailed legislative proposals which would be included in a consultation document to be issued later to solicit public views. The Government would finalize the proposals after taking into account members' views and suggestions at the meeting, with a view to releasing the consultation paper in July 2010 at the earliest.

## Discussion

### *Enforcement and consumer redress*

8. Mr CHAN Kam-lam noted with concern the drastic increase in the number of complaints on misrepresentation (excluding those relating to structured financial products) received by the Consumer Council (CC), i.e. from 834 cases in 2008 to 1 740 in 2009, compared to complaints on other unfair trade practices (e.g. high-pressure tactics, "bait-and-switch", misleading price indications) (Annex to LC Paper No. CB(1)1910/09-10(03)). He opined that this might reflect a worsening trend in the use of unfair trade practices contravening TDO, as well as

inadequacies in regulation and enforcement.

9. SCED said that the rising number of complaints in respect of misrepresentation was probably due to increased consumer awareness and protection following the enactment of legislative amendments in TDO and the five orders imposed by the Chief Executive in Council under TDO in mid 2008 to enhance protection for consumers in the purchase of jewellery items and electronic products. Recognizing the limitations of a product-specific approach and to enhance consumer protection in respect of supply of services, the Government intended to put in place a more comprehensive mechanism as recommended under the broad policy directions. The Commissioner of Customs and Excise (C of C&E) echoed that in the light of past experience, the number of consumer complaints for certain products would rise after legislative amendments were made to related consumer protection legislation, which was a result of enhanced awareness and knowledge of the public about the relevant products and consumer rights. He stressed that a regulatory regime with clear legislative provisions would facilitate enforcement in the long run.

10. Ms Starry LEE supported the directions to strengthen consumer protection legislation and the recommendation that C&ED should be responsible for enforcing the proposed new offences. Mr CHAN Kam-lam said that while C&ED was currently responsible for enforcing TDO mainly during clearance of goods upon importation, he considered that there should be more enforcement agencies and channels to meet the growing demand for regulating unfair trade practices. In this connection, he enquired whether the Government would also consider empowering CC with an enforcement role to act on complaints to help alleviate the workload of C&ED.

11. Mr WONG Kwok-hing welcomed the Administration's initiative to brief the Panel on the broad directions of the improvement proposals on strengthening consumer protection legislation, which had long been awaited by the general consumers. He supported that the proposed new offences be enforced by the C&ED having regard to its role and expertise in conducting inspections and "covert operations". Mr WONG suggested that the Administration should enhance CC's powers in initiating civil proceedings against unfair trade practices so as to complement C&ED's efforts in respect of prosecution actions under TDO.

12. C of C&E said that C&ED had all along been collaborating with CC to crack down dishonest sales practices. Consumers could file their complaints directly to C&ED, which, being an enforcement agency, would conduct investigation and commence legal proceedings to deal with suspected cases. Investigation and enforcement work involved due procedures and might take time. In practice, the public usually lodged their complaints with CC, which would try to resolve disputes through mediation first, in particular if the disputes were only due to misunderstanding, with a view to facilitating settlement between the disputing parties. CC also used to provide information to C&ED on shops subject to frequent complaints by consumers, while C&ED focused its manpower and resources on conducting surprise inspections and "covert operations".

13. SCED assured members that consumers could lodge their complaints with either C&ED or CC as the two maintained close liaison and exchanged information frequently with a view to combating unfair trade practices. She remarked that C&ED had the expertise, experience and resources to enforce TDO and if necessary, initiate criminal proceedings in respect of related offences under the Ordinance. CC, on the other hand, played a vital role in educating consumers, handling complaints and mediating disputes, while referring more complicated cases requiring immediate enforcement to C&ED for further action. CC was also the trustee of the Consumer Legal Action Fund which was established to assist consumers with meritorious cases to pursue legal action. Notwithstanding these efforts, SCED stressed that consumer self-empowerment against unfair trade practices was equally important as legislative protection.

14. In this connection, Mr Albert CHAN considered that CC not only lacked the power to deter unscrupulous traders from using abusive sales tactics and settle disputes, it also rarely deployed the Consumer Legal Action Fund to help aggrieved consumers to take judicial action to seek redress. Mr Paul TSE held the view that while the Government should put in place appropriate measures to enhance consumer protection, the consumers should stay vigilant to unscrupulous sales tactics, and empower themselves to manage the risks in consumption, instead of totally relying on the Government's efforts.

15. Mrs Regina IP said that she welcomed the legislative proposals to enhance consumer protection. Referring to the numerous complaints she had received from members of the public about unscrupulous sales tactics related to beautification and slimming, such as asking the consumers to take off their clothes for taking body weights, retaining their belongings and preventing them from leaving the premises, pressurizing them into making credit card payments in huge sums for acquiring services, etc. The traders might also use high-pressure tactics to persuade consumers to make referrals for getting further discounts and concessions. Mrs IP observed that most of the aggrieved consumers might find it more convenient to seek help from the Police. The Police normally handled these cases as commercial disputes, unless there was strong evidence to prove that the complainants had indeed been subject to illegal detention or scare tactics for initiating prosecution against such offences. She expressed concern about the division of work between C&ED and the Police in the enforcement of the proposed new offences in TDO. She was also concerned that members of the general public were less familiar with lodging complaints with C&ED.

16. C of C&E said that C&ED had conducted a number of publicity campaigns to increase the public's awareness of its work and complaint hotline. Besides, the public could channel their complaints to CC with which most members of the public were familiar. At present, if it was a serious and blatant detention and extortion case, then the Police would handle it. SCED added that both the Police and C&ED were conferred with clear and specific powers in their respective purviews to carry out enforcement, and they had been exercising the role effectively. Where necessary, C&ED and the Police would conduct joint operations to crack

down unscrupulous trade practices. In reply to Mrs Regina IP, SCED said that the Government would continue to enhance consumer education, such as disseminating consumer information in the "Police Report" television programmes, media announcements in the public interest, and CC's monthly "Choice" magazines, so as to complement regulation and enforcement.

17. Dr LEUNG Ka-lau enquired whether the new legislative proposals would cover transactions whereby the products or services concerned were provided outside Hong Kong, such as in the Mainland. SCED said that as a special administrative region of China, Hong Kong had its own legal framework applicable only within the territory. Nevertheless, the Government had maintained a notification mechanism with relevant authorities in the Mainland to enable collaborative efforts in enforcement against unscrupulous trade practices.

18. Miss Tanya CHAN noted that CC had proposed setting up a dedicated Consumer Tribunal which adopted simpler procedures similar to those of the Small Claims Tribunal (SCT), so as to facilitate consumers in seeking judicial redress, but the Government indicated that careful consideration should be given on whether consumer disputes should be handled differently from other types of disputes handled by SCT. Miss CHAN urged the Commerce and Economic Development Bureau (CEDB) to consult the Department of Justice on the matter. Mr Paul TSE agreed with the Government's direction to introduce a compliance-based enforcement mechanism which facilitated mediation between traders and consumers before resorting to prosecutions. Mr TSE said that the case load in SCT was generally heavy, and consideration should be given to resolving disputes involving short-haul visitors in a more expeditious manner. The Administration took note of members' views.

#### *Cooling-off arrangements*

19. Mr CHAN Kam-lam observed that some tutorial schools adopted aggressive marketing tactics by paying unsolicited visits to potential consumers' homes, and made transactions without providing proper receipts and other documentary proof. The operators might "disappear" after accepting the pre-payments or close their business, without intending to provide the services at all. He enquired whether the proposed cooling-off arrangements would target at this mode of sales.

20. Mr WONG Kwok-hing noted that the proposed cooling-off arrangements would only be imposed on specified transactions whereas businesses and trade organizations would be "encouraged" to offer cooling-off period on a voluntary basis. While he agreed that it might not be appropriate to mandate cooling-off arrangements across the board, he considered that the proposed cooling-off arrangements should be expanded to cover more types of transactions and contracts, in particular those relating to beautification, slimming, travel club membership, pay television, telecommunications and internet services. He noted that CC had received as many as more than 3 000 complaints related to these services in the first nine months of 2009. Mr Albert CHAN also suggested that the Administration

should consider imposing the cooling-off arrangements on transactions reaching a prescribed minimum amount of pre-payment and/or duration of service agreement.

21. SCED advised that the current direction was to apply cooling-off arrangements on, transactions of time share rights and contracts made at non-business premises where consumers might be caught off-guard, i.e., contracts (which might include tutorial or telecommunications service contracts mentioned by members) made during unsolicited visits to consumers' homes or places of work. However, she stressed that the Government should not mandate cooling-off arrangements across the board as different parties entered into contracts on the supply of goods or services according to their free will.

22. Miss Tanya CHAN enquired whether the proposed cooling-off arrangements would also cover sales transactions made through telephone calls or other electronic means apart from home or workplace visits, having regard to the diversity of sales channels commonly deployed after subscription of membership or services. SCED advised that irrespective of the medium in which a contract was negotiated, the proposed offences would still apply. SCED pointed out that the pre-payment mode of transactions usually entailed discounts or other concessionary offers, which were agreed upon between the business and consumers. Such a marketing tactic was not problematic as long as the traders would supply the products or services during the service period. She reiterated that imposing cooling-off arrangements across the board would adversely affect business operations which might try to mitigate the risk arising from the arrangements by raising prices upfront, and that would not be in the interests of consumers. Creating specific offences to tackle the unfair practices, for instance, aggressive practices, "bait-and-switch" and "accepting payment without the intention or ability to supply the contracted goods or services" would be a more proportionate response than imposing mandatory cooling-off period for all pre-payment mode of transactions.

23. Ms Starry LEE expressed disagreement and disappointment about the limited scope in imposing the proposed cooling-off arrangements which did not target at those businesses commonly associated with complaints, such as beautification, slimming and fitness training. She said that as a matter of fact, consumers patronizing the above services at the shops were always subject to "unsolicited" sales of services and caught off-guard. Hence, she urged the Administration to consider expanding the scope of cooling-off arrangements to cover these specific types of business.

24. SCED said that while consumers making pre-payment naturally expected to receive the intended products/services, they should also ascertain before transactions the conditions under which the products/services were to be supplied. She observed that most traders were keen to continue their business obligation as far as possible in order to build consumer confidence and preserve their reputation. As for beautification and slimming services, SCED said that some industry players, including Hon Vincent FANG, had cautioned the Government against mandating cooling-off arrangements for these and other services. She considered it necessary

for both the Government and LegCo to gauge views on a wider basis including the relevant trades on the proposed cooling-off arrangements.

25. Mr Paul TSE appreciated that the proposed cooling-off arrangements should not be applied across the board indiscriminately, as this might weaken consumers' incentive and ability to protect themselves from improper sales tactics, and they should be accountable, to a reasonable extent, for their own choice of consumption. He considered the cooling-off arrangements should target at the more prevalent unscrupulous trade practices. Ms Miriam LAU also agreed that there was a need to strike a balance in enhancing consumer protection such that the regulatory measures would target at unscrupulous traders only, while not affecting those traders that complied with the law. She cautioned against imposing mandatory cooling-off arrangements across the board which would adversely affect business operation, in particular as most of the local enterprises were small and medium establishments which might not be financially viable to bear unnecessary compliance cost. The Administration took note of the views and concerns.

*"Accepting payment without the intention or ability to supply the contracted goods or services"*

26. Mr James TO expressed support for strengthening consumer protection legislation to tackle unfair trade practices. He observed that some traders continued to allow over-subscription of products/services and accept pre-payment even knowing that their businesses might not be sustainable. If the supplier failed to supply products or services as agreed, the Government might invoke criminal sanctions regarding the common law offence of "conspiracy to defraud" and initiate prosecution if there was sufficient evidence. As such, Mr TO urged the Police and C&ED to take proactive enforcement actions to combat the malpractices under existing legislation before the proposed legislative amendments were put in place.

27. Ms Miriam LAU queried the need to introduce new legislative provisions under TDO to sanction against traders "accepting payment without the intention or ability to supply the contracted goods or services", given that the same could be achieved under the Theft Ordinance (Cap. 210). In her understanding, the malpractice was similar to the issuance of a blank cheque without the intention to make payment that constituted "fraud" under Cap. 210. If there was difficulty in enforcement under Cap. 210, she did not see how the situation could be improved by making similar provisions under TDO. She queried if the problem was due to the inaction of the Police in combating fraudulent trade practices, rather than inadequacies in legislation.

28. SCED explained that at present, TDO prohibited false indications of any of the specified aspects of goods in the course of trade or business, but did not apply to "services". Hence, there was a need to close the loophole by amending TDO to extend its coverage to include indications in respect of "services" in consumer transactions. She stressed the efficiency of the Police in exercising its role and responsibilities. However, whether prosecution could be initiated by invoking criminal sanctions regarding "fraud" and "conspiracy to defraud" would depend on

the facts and sufficiency of evidence in individual cases and the relevant enforcement powers conferred. As such, it was deemed appropriate to create specific offences in TDO to prohibit "accepting payment without the intention or ability to supply the contracted goods or services" in consumer transactions. She believed that the enhanced clarity and empowerment in the legislation would facilitate enforcement and strengthen consumer protection. C of C&E further said that as the coverage of Cap. 210 was general in nature, the Government saw merit in creating more specific offences relating to the unscrupulous trade practices in respect of services in TDO to facilitate enforcement. By conferring C&ED with powers to take action against unscrupulous trade practices through the proposed legislative amendments, C&ED would capitalize on its expertise to launch covert operations and publicize successful operations in a high profile manner to achieve deterrence.

29. Mr James TO said that as some pre-paid service agreements might involve a relatively long service period of up to a few years, and the traders might fail to provide services only in the middle of such contracts, there might not be sufficient evidence to prove that the traders had accepted payment "without the intention to supply". Consumers would risk financial loss for making the pre-payments as they were not given to know the financial status of the shops concerned. As such, he suggested setting up some sort of compensation fund similar to the Travel Industry Compensation Fund for those service sectors associated with relatively larger amounts of pre-payment in transactions, such as sectors providing beauty care services, and fitness and slimming services.

30. Ms Starry LEE considered it necessary to regulate the pre-payment mode of transactions to enhance consumer protection. In this connection, she suggested mandating shops adopting pre-payment mode of transactions to set up dedicated accounts for depositing the pre-paid sums which could not be utilized before the services were delivered, so as to ensure that consumers would be refunded when the business closed down.

31. SCED said that the setting up of a cross-sector or sector-specific consumer compensation fund involved complicated issues e.g. how the fund should be financed and managed, the risks and liabilities involved as well as the criteria for allowing disbursement in case of default which required careful consideration. It should also be noted that there was existing legislation governing the arrangements on liquidation, including prioritization of creditors. She said that the public might wish to give their views on these issues. Regarding the risk of the pre-payment mode of consumption, she noted that the Hong Kong Monetary Authority (HKMA) would continue to discuss with the banking industry to find ways to strike a balance between better protecting consumers from pre-payment risks and avoiding cash flow problems which might be encountered by the business sector.

32. Mr James TO referred to the recent closure of a yoga chain and pointed out that some traders had persuaded their customers to settle pre-payments by borrowing loans from banks. He noted that despite conflict of interests, staff of the yoga chain had promoted bank loan products directly to the customers without

clearly explaining to them the risks and liabilities involved, in particular the obligation to continue loan repayment even after the business was closed down. Mr TO considered it improper for the banks to sell their financial services products through unqualified staff of retail shops and he had conveyed this concern to the HKMA. He hoped that Administration would take note of the concern in formulating legislative proposals to combat the unscrupulous practices, and achieve interface in the regulatory measures with those implemented by HKMA as appropriate. The Administration took note of the concern.

33. Referring to the consumer complaints associated with closure of some yoga chains, Miss Tanya CHAN expressed concern that enforcement action could not be taken against the unscrupulous trade tactic of "accepting payment without the intention or ability to supply the contracted goods or services" until the business in question had closed down when consumers had already suffered losses. She was also worried that the salespersons of these chains, rather than the business owners, might be held responsible for the offences. She requested the Administration to take note of this concern in drafting related legislative provisions. The Administration took note of her concern.

34. Mr Fred LI observed that the beautification and slimming services usually involved relatively greater amount of pre-payments. As these sectors had yet to mature into a highly professional industry with clear standards of services to be provided by qualified practitioners and subject to industry self-regulation, and given that the flourishing of unscrupulous sales tactics by a handful of industry players were damaging the whole sector, he considered it unacceptable that the problem should continue to be left unattended without any control. In his view, it was necessary to regulate the pre-payment mode of transactions in these industries. SCED said that while the Government was concerned about consumers' grievances for not being able to obtain the pre-paid services, the regulatory regime should only target at those traders which accepted payment without the intention or ability to supply the contracted goods or services, and avoid affecting the business operations of the majority of honest traders.

35. Mr Fred LI expressed concern about the difficulties to produce legal evidence on the "intention" of a trader accepting payment without supplying the service/product. SCED said that as the current direction was to confer C&ED with the responsibility to enforce the proposed new offences, C&ED, shouldering the onus of proof, would be empowered to make necessary inspections, including relevant books and accounts, and submit evidence to the court. The case law to be established in due course would then help demonstrate the principles in initiating future prosecutions. SCED stressed that the policy objective of the legislation was to enhance deterrence among traders who should be made known about the consequences and liabilities of non-compliance.

36. In reply to Dr LEUNG Ka-lau's enquiry about enforcement against advertisements carrying false descriptions in the print and electronic media, SCED said that the current direction of the legislative proposals was to exercise regulation primarily on the traders who should have the onus of providing truthful information

on their goods or services, but not the carrier of advertisements.

*"Bait-and-switch"*

37. Ms Miriam LAU noted that according to the Administration, "bait-and-switch" referred to the practice under which traders advertised or promoted products at bargain prices without having reasonable quantities or capacity to meet the demand that would have been foreseen. The bargain item was used as a bait to attract consumers so that the trader could use the opportunity to switch them to over-priced products or old models under various pretences. In her observation, it was common for traders to clear stock of old models by gifting them away as bonus items during promotional sales of other items, which appeared to be reasonable marketing strategies. For instance, traders might offer a free microwave cooker for purchase of a refrigerator as a promotional package, whereas fitness training programmes might be offered with extra free sessions to attract enrolment. As such, she was concerned whether the new legislative proposals might indiscriminately prohibit such promotional measures. SCED said that it would not constitute an offence as long as the traders had reasonable quantities or capacity to meet the demand of the bargain items. The legislative proposals mainly aimed at sanctioning against traders using bargain items as a bait, and urging consumers to switch to over-priced products or old models.

38. Mr WONG Ting-kwong opined that the Government should exercise caution on issues related to pricing of goods/services as there might not be any objective criteria in determining whether the items, be it new or old models, were over-priced, and having regard to price fluctuations in the market. In particular, the value of some goods might rise with their age. SCED said that the focus of regulation concerned the intention on the part of traders to provide the goods or services and whether consumers could be refunded when the bargain items could not be supplied. As such, price fluctuation in the market would not be an issue. She added that the Government was now working on the legal definitions of "services" and the aspects of services (such as availability, price discounts) in consumer transactions.

*Aggressive practices*

39. Noting that a new strict liability offence would be proposed to be created in TDO to enhance protection for consumers from aggressive and high pressure tactics, Miss Tanya CHAN enquired about the availability of due diligence defences for the traders in question. SCED said that the Administration was still in the process of developing details of the proposals and it would take note of the concern in this regard.

*Misleading omission*

40. On the proposed prohibition of misleading omissions, Mr WONG Ting-kwong said that traders were expected to present pertinent and truthful information to their clients. He was worried that the frontline retail staff might

inadvertently commit an offence by not being able to provide to their clients information on goods/services to the required extent. As such, he enquired whether they would be given the right to due diligence defences in the legal proceedings. SCED responded that the Government would set out clearly in the legislation the circumstances under which due diligence defences should be available. She stressed that it was necessary to collect adequate evidence before a case could be established for further investigation.

*Sectors not covered by the new legislative proposals*

41. SCED said that taking into account CC's suggestion that sectors with existing regulatory regimes should not be included within or should be carved out from the new legislative proposals if a significant degree of professional and specialized knowledge was required for enforcement, the Government was inclined not to cover transactions of financial services products and property under the proposed TDO amendments. Along with this direction, the Government and the Securities and Futures Commission adopted a package of measures to strengthen the regulatory regime governing the sale of investment products, including imposing a cooling-off period in the transaction of certain unlisted structured investment products. In respect of the property sector, the Transport and Housing Bureau (THB) had put in place nine new enhancement measures related to transactions of first-hand private residential properties. Should these measures prove to be ineffective, THB did not rule out the possibility of introducing legislative measures. SCED opined that the current directions of consumer protection legislative proposals could help tackle common unfair trade practices in the market, whereas financial services and property sectors were regulated under their respective regimes which would lend greater clarity in the coverage of consumer protection.

42. Mr Fred LI said that in his understanding, CC had recommended to carve out from the new legislative proposals only the services of estate agencies which were currently regulated by the Estate Agents Authority under the relevant legislation, but not property transactions. SCED clarified that the improvement proposals set out in the Administration's paper (CB(1)1910/09-10(03)) represented the Government's views which were drawn up after careful consideration of CC's recommendations and Members' views expressed at the motion debate at the Council meeting on 6 January 2010.

43. Miss Tanya CHAN remarked that unlike the proposed TDO amendments and the "Sales Descriptions of Uncompleted Residential Properties Bill" published in 2000, property transactions not complying with guidelines and measures of the Real Estate Developers Association of Hong Kong would not be subject to criminal sanctions. She considered it more appropriate to introduce legislation to regulate the sector.

44. Mr Albert CHAN expressed grave dissatisfaction that the new legislative proposals would not cover transactions of financial services products and property which in his view called for greater consumer protection as they involved

substantial amount of money when compared to other services. In particular, there were grave problems of selling "diminished flats" with "inflated saleable area" in the property sector. Recalling that the Government had given up pursuing the legislative proposals drawn up to regulate the property sector some years ago in face of pressure from the real estate developers, he considered the Government had failed to assert a stronger stance against the influence of conglomerates but preserve their interests. He strongly condemned the Government for blatantly ignoring the grave problems in the trade practices of the financial services and property sectors, which was tantamount to collusion with businesses. He said that tourists and visitors should be alerted of the various consumer scams prevalent in Hong Kong as a global "publicity" of Hong Kong.

45. SCED stressed that it was not the Government's intention not to regulate the two sectors in question, but only to carve them out from the new legislative proposals under TDO, because consumer protection in respect of transactions of financial services products and property would be governed under their respective dedicated regulatory frameworks. She reiterated that THB did not rule out the possibility of introducing legislative measures if the situation so warranted, whereas cooling-off arrangements were to be provided by issuers on certain unlisted structured investment products to enhance investor protection, in the light of the Lehman Brothers incident.

46. Mr Paul TSE opined that the property and financial services sectors should not be exempted from the new legislative proposals under TDO. While a similar level of protection was to be provided by existing regulatory frameworks to tackle unfair trade practices, the proposed TDO amendments could lend additional consumer protection. If the two sectors were not covered by the proposals, it would be logical to exempt other professional sectors such as medical and legal services which also required a significant degree of professional and specialized knowledge for enforcement and had their own regulatory regimes. Sharing similar views, Dr LEUNG Ka-lau considered it unjustified taking out the two sectors from the TDO framework. He enquired whether there was technical difficulty in drafting the proposed TDO amendments to enhance protection in general for all consumer transactions, despite sector-specific regulatory regimes were in place.

47. SCED reiterated that the Government had no intention to "exempt" the two sectors in question, they were covered under regulatory frameworks outside TDO. She agreed that the Government should look into the criteria of whether certain sectors with a significant degree of professional and specialized knowledge, such as the accounting, legal and medical sectors which had their own regulatory bodies, should be covered by TDO or not, having regard to the extent of the services in the consumer market. She said that the Government would gauge the views of the public and the relevant professional bodies during the public consultation.

Way forward

48. Mr WONG Kwok-hing enquired about the timeframe for introducing the legislative amendments to LegCo. He was keen to ensure that adequate protection against unfair trade practices could be provided to consumers as early as possible. SCED advised that the wide coverage and complexity of the legislative proposals warranted thorough consultation with different stakeholders, with a view to achieving a win-win situation of enhancing consumer protection while preserving a level-playing field for business. It was envisaged that the public consultation exercise commencing from July 2010 would last for three months. The Government would work on the drafting of the legislative provisions in parallel, including drawing up clear legal definitions, and aim to introduce the legislative amendments into LegCo as soon as possible taking into account the views collected during the consultation. Mr WONG Ting-kwong said that while the general public would welcome the strengthening of consumer protection legislation, he emphasized the importance to conduct thorough consultation with all stakeholders to avoid hissing comments from the public.

49. Mr Fred LI expressed concern about the long time taken by the Government to come up with the broad directions of legislative proposals to strengthen consumer legislation, having regard that CC's review report was published in early 2008. He expressed disappointment that the consultation exercise would be conducted earliest possible only in the third quarter of 2010, and legislative amendments would be introduced to LegCo as late as in the 2010-2011 legislative session. Referring to the consumer complaints received by the office of LegCo Members from time to time, Mr LI considered it disgraceful for Hong Kong, a cosmopolitan city, to continue tolerating inadequacies of consumer protection, and he was gravely dissatisfied about Government's prolonged inaction in face of the proliferation of advertising bluffs and consumer scams in the print media, which had existed for a long time but was not subject to any regulatory control. In view of the serious situation, Mr LI strongly urged the Government to conduct public consultation as soon as possible with a view to introducing legislative amendments in the shortest possible time.

50. SCED clarified that the Government had been strengthening consumer protection on various fronts since CC's report was released in early 2008. For instance, it had amended TDO to tackle some of the more prevalent malpractices, and five orders had been issued by the Chief Executive in Council under TDO to enhance protection for consumers in the purchase of jewellery items and electronic products. In addition, the Government had collaborated with CC in taking forward consumer education and publicity incessantly. The Government had taken some time to carefully review CC's recommendations and analyze the complicated issues involved. In the process, the Government had duly considered the unique environment of Hong Kong and overseas experiences in details. She assured members that the Government had not spared any efforts in strengthening consumer protection.

51. Mr Albert CHAN expressed dissatisfaction about the prevalence of

unfair trade practices in Hong Kong, from pyramid selling to retail sales of ginseng and dried seafood to beautification and slimming services, travel club membership, which had trapped the public from time to time. In particular, secondary school leavers were vulnerable to unscrupulous sales tactics that might cost them and their families indebted to huge amounts of loans, and intimidation by debt collection agencies. He considered that there was presently no effective mechanism to handle complaints or crack down the malpractices which had been rooted in Hong Kong for many years. He genuinely hoped that the current legislative proposals would help address the grave problems. SCED said that misleading indications of prices and weight units in the sales of ginseng and dried seafood had been addressed by the latest amendments in TDO which prohibited misleading price indications. As for pyramid selling, the Government intended to amend relevant legislation and it would consult the Panel after the legislative proposals had been drawn up.

Admin

Conclusion

52. The Chairman said that in his view, most traders in Hong Kong were honest and law-compliant in conducting consumer transactions. He observed that the Government had made a lot of efforts on consumer protection but it was necessary to make continuous improvements to strengthen and improve relevant legislation. He recapped some members' views that it was difficult to impose cooling-off arrangements across the board, having regard to the uniqueness and complexity of individual sectors, and their range of products. There were also suggestions that the financial services and property sectors should be included in the TDO framework. The Chairman concluded that Panel members in general agreed with the broad policy directions of the new legislative proposals to tackle unfair trade practices. As the Government would launch public consultation in the third quarter of 2010, the Panel might consider meeting with deputations, where necessary, to gauge their views on the consultation paper.

**V Review of the operation of the Travel Industry Council of Hong Kong**  
(LC Paper No. CB(1)1910/09-10(05) - Administration's paper on review of the operation of the Travel Industry Council of Hong Kong

LC Paper No. LS53/09-10 - Paper on legal advice related to the role of Travel Industry Council of Hong Kong prepared by the Legal Service Division of the Legislative Council Secretariat

LC Paper No. CB(1)1910/09-10(07) - Paper on the operation of Travel Industry Council of Hong Kong prepared by the Legislative Council Secretariat (updated

background brief))

LC Paper No. CB(1)1910/09-10(06) - Submission from Tiglion Travel Services Company Limited dated 20 February 2010 (Chinese version only)

LC Paper No. CB(1)1985/09-10(01) - Submissions from Tiglion Travel Services Company Limited dated 18 and 22 May 2010 (Chinese versions only)  
*(Tabled at the meeting and issued via email on 24 May 2010)*

Briefing by the Administration

53. At the invitation of the Chairman, SCED briefed members on the existing regulatory framework for the travel industry, further improvement measures implemented by the Travel Industry Council of Hong Kong (TIC) since July 2009 and future improvements to be made following the current review of TIC's operation. SCED said that the existing mechanism of industry self-regulation and the two-tier regulatory regime set up under the Travel Agents Ordinance (Cap. 218) (TAO) in 1988 had undergone extensive consultation with the stakeholders before implementation and was supported by the then Legislative Council (LegCo). While the Government considered the existing regulatory regime had been operating smoothly in general and in tandem with the development of the tourism industry in the past 22 years, it was nevertheless noted that there were calls from the community to enhance the management, transparency and impartiality of TIC. In this connection, TIC had been making continuous improvements to its operation, while the Government continued to monitor TIC's operation and tender timely advice where warranted.

54. SCED then outlined TIC's further improvements measures implemented since July 2009, including rationalization of committee structure and membership, and publication of meeting agenda and sanitized minutes to increase transparency and the appointment of an independent director with trade union background to reflect frontline employees' interests, as well as enhanced monitoring by the Tourism Commission (TC). Future improvements that TIC was set to implement included conducting a value-for-money audit and formulating clearer guidelines on TIC elections. It was hoped that these measures would help enhance TIC's accountability to its members and the public.

55. SCED remarked that after the current review of TIC's operation, the Government intended to maintain the current regulatory regime of the travel agents. As TIC had built good rapport and extensive network with the travel-related industries both in and outside Hong Kong, it was able to follow changes in the industry, detect early signs of malpractices in the trade, formulate effective responses and regulatory measures, act promptly in handling tourism-related emergencies, and make timely efforts enabling travel agents to respond to crises in a coordinated manner. In view of the rapid development of the industry, the

Government considered that TIC in its present form (i.e. a trade body with regulatory functions) was best placed to foster trade development on the one hand and regulate the ever-changing trade practices on the other, as it could combine trade knowledge with swiftness in formulating code of practices and directives. To make clearer TIC's position and functions under the regulatory regime, the Commerce and Economic Development Bureau would consult the Department of Justice to amend TAO to specify TIC's role more clearly.

### Discussion

56. The Chairman declared that he was a shareholder and non-executive director of a travel agency. Mr Paul TSE also declared that he was a shareholder of a travel agency which was a TIC member and member of the eight TIC Association Members.

#### *Consumer protection under the current self-regulatory regime*

57. Mr CHAN Kam-lam said that while he appreciated the merits of industry self-regulation for service sectors, he considered that there was a need to adjust the role of TIC in tandem with the multi-faceted developments in tourism. In particular, he observed that in the past few years, some malpractices in the travel sector, such as aggressive retail sales tactics by preventing tour participants from leaving the shopping premises and tourists being sold down the river etc, had undermined the image of Hong Kong tourism. The public would naturally query the effectiveness of TIC's self-regulatory role. As such, it was important for TIC to enhance its public recognition as an agent which could foster trade development while protecting consumer interests. He suggested that TIC should conduct public opinion surveys to collect their views on its work.

58. SCED said that in recognition of the provision of quality and value-for-money services to tourists as fair trade practices, TIC had, with the support of the travel-related sectors, introduced a number of measures in the past to enhance consumer protection. A notable example was the 180-day refund measure which had helped preserve the reputation of Hong Kong as a shopping paradise and preferred travel destination. Notwithstanding these efforts, TIC was expected to continuously strengthen the self-regulatory mechanism and take disciplinary actions against unscrupulous trade members, with a view to improving TIC's image and raising public recognition of its role. Mr Michael WU, Chairman of TIC also remarked that TIC had made a lot of efforts in protecting consumer interests, including engaging an external company to regularly inspect shops visited by package tours, requiring inbound travel agents to distribute itineraries to visitors upon their arrival in Hong Kong etc. The monitoring measures would help enhance consumer protection, and minimize misunderstanding and disputes between travel agents and tour participants.

59. Mr Fred LI said that he did not see how TIC could strike a proper balance between consumer protection and trade interests, given that TIC was basically a trade association and a company registered under the Companies Ordinance (Cap.

32). He considered it a structural problem for TIC, with around 60% of its Board members from the trade, to regulate the travel industry on one hand and to serve their interests on the other. Referring to his recent complaint against a travel agent associated with the organization of local tours for members of the community, Mr LI said that TIC had appeared to adopt a rather lax stance over the matter by simply accepting the explanation of the travel agent in question. He had subsequently sought legal advice which confirmed his view that TIC's way of handling the complaint was problematic, and he had decided to take the matter to the court. He believed that the general public might have encountered similar unfair treatment or worse. He expressed disappointment that the Government had turned a blind eye to the problem and left the consumers nowhere to turn to for handling their complaints. Given the inherent problem of a self-regulatory mechanism that could not be resolved by simply reforming TIC, he objected to the Government's plan to specify TIC's role more clearly in TAO as this would only legalize and reinforce the existing unreasonable arrangement.

60. Mr Michael WU of TIC outlined the current mechanism of TIC's Consumer Relations Committee, of which the incumbent convenor was a non-trade independent director from the legal profession, in handling consumer complaints. To maintain impartiality in handling complaints, it was a rule that the majority of the Consumer Relations Committee's members should be outside the trade. He sought members' understanding that TIC had strived to do their best to strike a balance of interests of the public and the trade. Mr Joseph TUNG, the Executive Director of TIC added that he had followed closely the complaint lodged by Mr Fred LI and considered thoroughly the ways to resolve the matter. He would further explain to Mr LI in person TIC's views in this regard.

61. SCED said that it had always been the standing policy of the Government to protect consumer interests, and the current review of consumer protection legislation against unfair trade practices was a case in point. In her opinion, industry self-regulation would not hinder parallel efforts of enhancing consumer protection. TIC should continue to make every effort to perform well its regulatory functions. She had also discussed with TIC Board members possible ways to enhance the complaint mechanism to ensure that consumer complaints would be dealt with in a more impartial and transparent manner. TIC accorded importance to minimizing conflict of interests, and it would follow up on further improvement measures in complaint handling.

*Effectiveness of industry self-regulation for travel industry*

62. Mr CHAN Kam-lam noted that the travel sector in general agreed with the existing self-regulatory framework, but there was always room for achieving better collaboration between TIC and its member travel agents. He considered that the current composition of TIC Board, which comprised a chairman from the trade and 28 directors including independent non-trade directors from different sectors, was a satisfactory combination to maintain impartiality in TIC's operation. Mr CHAN considered that TIC should proactively gauge the views of travel agents for making improvements in different areas.

63. Mr Michael WU of TIC informed members that for the three months starting from May 2010, he and TIC's Executive Director would meet with the travel agent members, in separate groups of about 40 members, and listen to their views and suggestions on assistance measures to be provided by TIC to facilitate a better operation of their business, such as organizing talks on strategies to be taken by travel agents to withstand keen market competition, and training courses to enhance the professionalism of tour escorts and tour guides.

64. Mr Albert CHAN highlighted the problem of industry self-regulation which appeared to have over-empowered the trade to control all matters in the industry to serve the interests of a small group of stakeholders. He understood that even the small and medium-sized travel agents had been discriminated under TIC's regulation. He agreed that it would not be appropriate to amend TAO further to legalize TIC's position under the self-regulatory regime as TIC was only a trade union vested with self-interests. To illustrate, he noted that some travel agents had based on self-interests in deciding whether package tours bound for places where a Red or Black outbound travel alert (OTA) was in force should depart as scheduled or not. Mr CHAN queried how TIC could genuinely protect public interests as aggrieved consumers were left to their own devices such as taking legal actions when they could not seek redress for their complaints with TIC.

65. Mr Paul TSE echoed that the weaknesses of TIC were structural in nature as TIC, being a trade union registered under the Companies Ordinance (Cap. 32), lacked an independent status to regulate the industry in a convincing manner. Unlike the medical and legal professions, the travel sector was not an esteemed professional industry in exercising industry self-regulation. TIC's regulatory role for the travel industry was thus questionable and vulnerable to challenges. He considered it difficult for TIC to strike a balance of interests as either the travel agents or consumers would query the stance of TIC in handling consumer complaints or disciplinary matters. While the Government claimed that many of the TIC Board directors were independent of the trade, he considered this arrangement was just superficial, as the Board had once vetoed the proposal of setting a limit to the election expenses for TIC trade director elections. As he observed, TIC's policy in handling package tours for places where OTAs were in force had exposed the weaknesses and conflicts associated with industry self-regulation.

66. SCED said that she did not agree that the regulation of travel agents and handling of consumer complaints lodged against them were totally determined by the industry players themselves. She pointed out that the majority of the members of TIC committees handling consumer complaints or disciplinary matters came from non-trade sectors which would help maintain impartiality. SCED stressed that TIC was fully aware of its duty to regulate the travel agents in the interests of the public. She also said that the interests of all travel agent members, irrespective of its size and scale, had been represented in the TIC Board through the eight Association Members representatives and directly elected trade directors. On the issue of whether package tours should depart as scheduled for places where a Red

or Black OTA was in force, the Government, while providing useful information for the reference of the travelling public and the travel trade, could not make compulsory arrangements for individual travellers, who should exercise due judgment on the matter having regard to their individual circumstances. However, she considered that TIC had effectively coordinated with travel agents to handle the matter, including making standard refund or changes to package tours for affected tour participants. TIC should continue to draw on the experience and members' suggestions to make improvements to keep up with the changing landscape in the travel industry and consumer expectations in future.

67. Ms Miriam LAU recalled that in its earlier years of operation, TIC had received much respect and recognition among the travel agents, whereas the public held high expectation of TIC to resolve travel-related issues and disputes for them. However, she noted that in recent years, TIC had drawn quite a lot of criticisms and complaints from travel agents, the public and even among some LegCo Members. Ms LAU enquired whether TIC had reviewed its role and power to identify the crust of the problems with a view to enhancing TIC's self-regulatory standard and increasing public recognition of TIC's work.

68. Mr Joseph TUNG of TIC highlighted the dilemma, as illustrated by Mr Paul TSE, faced by TIC, and remarked that it was difficult for TIC to accommodate the interests of the travel agents and consumers at the same time. Nevertheless, TIC had all along exercised due care in handling matters relating to the trade and consumer complaints, and it would continue to enhance the transparency of TIC's work to show that it was serving both the interests of travel agents and consumers.

69. The Chairman enquired whether the Administration had considered the possibility of turning TIC into a statutory body, with its composition, functions, powers and framework of checks and balances governed by a specific ordinance. Noting that unlike TIC, other self-regulatory industries such as the medical and legal professionals were governed by boards comprising mainly industry players, the Chairman asked about the criteria in determining the extent of non-industry involvement in a self-regulatory body.

70. SCED said that there were different modes of regulating an industry, including regulation by a government agency or statutory body, industry self-regulation, or, like the regulation of the travel agents, co-regulation by the government and the trade, i.e. the Travel Agents Registry and industry self-regulatory body, i.e. TIC. In exercising its regulatory role, TIC had strived to enhance the professional standard of the travel industry, for example by continuously upgrading the professional skills of tour guides and tour escorts through training and assessment. SCED stressed that public recognition and support of the travel industry was important to trade self-regulation. As such, she considered it more constructive to focus efforts on refining the existing governance structure of TIC to increase its accountability, rather than seeking to change TIC into a statutory body.

*Government's role in monitoring TIC and travel agents*

71. Mr Fred LI said that unlike Macau, Singapore and Taiwan, Hong Kong did not have a dedicated government department/agency to regulate travel agents. The Hong Kong Tourism Board was only endowed with the role to promote Hong Kong tourism overseas, while TC was mainly responsible for implementing tourism policies and taking forward the hardware development for tourism. While TC representative(s) was a member of TIC Board and had started to sit on seven TIC committees as a member from January 2010, he queried how TC could exercise monitoring in a coherent manner if different TC representatives sat on the committees. Mr LI said that apart from financial control, it appeared to him there was no statutory power conferred on the Government to monitor TIC's general operation. As such, he urged the Government to consider more effective means to regulate the travel agents. In this connection, Mr Paul TSE also noted that there was no mechanism to handle complaints against TIC, and no designated department or government official to monitor TIC's operation.

72. SCED highlighted that before TAO was amended in 1988 to bring in industry self-regulation, the legislative proposals had undergone extensive consultation with the trade as well as the then LegCo. During the discussions, the pros and cons of a self-regulatory regime had been thoroughly considered. The mechanism of industry self-regulation had again been duly considered when TAO was further amended in 2002. There were established safeguards under the industry self-regulation arrangements. Amongst others, TIC was required to submit to SCED each year the estimates of its income and expenditure in respect of the next financial year, whereas the non-trade independent directors of TIC Board were appointed by SCED and the number of these independent directors in the TIC Board had been increasing over the years, from two at the beginning to the existing twelve. She thus considered that any attempt to revoke this long-established and widely accepted self-regulatory regime would require very careful consideration. SCED noted that as the Government, LegCo and the media all monitored the TIC's operations basically, she did not agree that TIC had been operating "without control". She also noted that the Government, TIC and the trade would continue to work closely in improving the current regulatory regime in the light of the changing circumstances of the trade.

#### Way forward

73. Mr Paul TSE expressed dissatisfaction that the outcome of review had fallen short of the expectation that it should be a root-and-branch review of TIC's operation as requested in the motion passed by the Panel at the meeting on 16 July 2009. The improvement measures to be implemented by TIC, namely the conduct of value-for-money audit and formulation in consultation with ICAC of clearer guidelines on TIC elections, appeared to be only belated and minor rectifications. As such, Mr TSE urged that a thorough review of the self-regulatory mechanism should be conducted.

74. Mr Albert CHAN suggested that the Panel should consider holding a public hearing to gauge the views of travel agents, their frontline staff as well as general

consumers on TIC's role and operation. He said that apart from consumer protection, the review should also examine whether the self-regulatory regime offered adequate protection to tour escorts and tour guides as some of them had unreasonably been requested to make advance payments for tour expenses, or risk losing their chance to lead the tours.

75. In conclusion, the Chairman requested the Government and TIC to take note of members' views and concerns. As for the suggestion to hold a public hearing on TIC's operation, given that agenda items had already been scheduled for the June and July meetings, he suggested that the matter be put on the Panel's list of outstanding items for further consideration. The Panel could decide in the new legislative session how to follow up the matter. Members agreed

**VI Any other business**

76. There being no other business, the meeting ended at 1:05 pm.

Council Business Division 1  
Legislative Council Secretariat  
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