

立法會
Legislative Council

LC Paper No. CB(2)504/15-16
(These minutes have been seen
by the Administration)

Ref : CB2/BC/7/13

Bills Committee on Property Management Services Bill

Minutes of the 16th meeting
held on Tuesday, 10 November 2015, at 2:30 pm
in Conference Room 2A of the Legislative Council Complex

- Members present** : Hon Tony TSE Wai-chuen, BBS (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
Hon Abraham SHEK Lai-him, GBS, JP
Hon WONG Kwok-hing, BBS, MH
Hon Starry LEE Wai-king, JP
Hon CHAN Kin-por, BBS, JP
Hon IP Kwok-him, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, JP
Hon Alice MAK Mei-kuen, BBS, JP
Hon KWOK Wai-keung
- Members absent** : Hon James TO Kun-sun
Hon Cyd HO Sau-lan, JP
Hon CHEUNG Kwok-che
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Public Officers attending** : Item I
Mr Franco KWOK Wai-fan, JP
Assistant Director of Home Affairs (4)

Mr Indiana WONG Man-chung
Senior Administrative Officer (4)
Home Affairs Department

Mr Michael LAM Siu-chung
Senior Assistant Law Draftsman
Department of Justice

Miss Cindy CHEUK Chi-wing
Senior Government Counsel (Acting)
Department of Justice

Clerk in attendance : Ms Alice LEUNG
Chief Council Secretary (2) 6

Staff in attendance : Mr YICK Wing-kin
Assistant Legal Adviser 8

Ms Vanessa CHENG
Assistant Legal Adviser 5

Mr Richard WONG
Council Secretary (2) 6

Miss Meisy KWOK
Legislative Assistant (2) 6

Action

I. Meeting with the Administration

(LC Paper Nos. CB(2)86/15-16(03) to (05), CB(2)221/15-16(01), CB(3)583/13-14, CB(2)1761/13-14(02) to (04), CB(2)2014/13-14(01), CB(2)2189/13-14(01), CB(2)22/14-15(03) & (04), CB(2)82/14-15(02) and CB(2)191/14-15(03))

The Bills Committee deliberated (index of proceedings attached at **Annex A**).

Issues raised at the last meeting

2. Members noted the Administration's responses to issues raised by members at the meeting of the Bills Committee held on 28 October 2015 [LC Paper No. CB(2)221/15-16(01)].

Action

Discussion draft of Committee stage amendments ("CSAs") proposed by the Deputy Chairman

3. The Deputy Chairman briefed the Bills Committee on the discussion draft of CSAs proposed by him, which were tabled at the meeting [LC Paper No. CB(2)245/15-16(01)].

(Post-meeting note: The discussion draft of CSAs proposed by the Deputy Chairman was issued to members on 11 November 2015 vide LC Paper No. CB(2)245/15-16.)

Admin

4. The Administration was requested to provide a response in writing to the discussion draft of CSAs proposed by the Deputy Chairman. Members agreed to the Chairman's suggestion that the Bills Committee would further consider the discussion draft of CSAs at the next meeting when the Administration's response was available.

Examination of the draft CSAs proposed by the Administration

5. The Bills Committee continued the examination of the draft CSAs proposed by the Administration [LC Paper No. CB(2)86/15-16(03)], and had completed the examination.

Admin

6. Members noted that the Administration had undertaken to report to the Bills Committee regarding the question of whether Clause 31 on "self-incrimination" should be applicable to the hearings of the Property Management Services Authority, disciplinary committee and appeal tribunal.

Follow-up actions required of the Administration

Admin

7. The Administration was requested to provide written responses to issues raised by members as set out in **Annex B**.

II. Any other business

Date of next meeting

8. Members noted that the next meeting of the Bills Committee was scheduled for Monday, 16 November 2015, at 4:30 pm.

(Post meeting note: Members were informed vide LC Paper No.

Action

CB(2)256/15-16 issued on 11 November 2015 that to allow the Administration more time to prepare its responses to issues raised by members, the meeting originally scheduled for 16 November 2015 was cancelled, and the next meeting of the Bills Committee would be held on Monday, 30 November 2015 at 4:30 pm.)

9. There being no other business, the meeting ended at 4:19 pm.

Council Business Division 2
Legislative Council Secretariat
23 December 2015

**Proceedings of the 16th meeting of the
Bills Committee on Property Management Services Bill
on Tuesday, 10 November 2015, at 2:30 pm
in Conference Room 2A of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action Required
000300 - 000902	Chairman	The Chairman's opening remarks	
000903 - 002113	Chairman Deputy Chairman Admin	<p>Briefing by the Deputy Chairman on the discussion draft of the Committee stage amendments ("CSAs") to Clauses 4, 5 and 61(a) of the Property Management Services Bill ("the Bill") proposed by him, as set out in his paper tabled at the meeting [LC Paper No. CB(2)245/15-16(01)]. The Deputy Chairman informed the Bills Committee that his proposed amendments to Clauses 4 and 5 were to give the effect that all licensed property management companies ("PMCs") and property management practitioners ("PMPs") were required to fulfill the relevant statutory requirements under the Building Management Ordinance (Cap. 344) ("BMO") and to observe and follow the relevant provisions of the deeds of mutual covenants ("DMCs"). As the proposed amendments to Clauses 4 and 5 would give the same effect, he indicated that should his proposed amendment to Clause 4 be passed, he would withdraw his proposed amendment to Clause 5. On Clause 61 "Defence for licensed PMP as employee", he would propose amendment to Clause 61(a) so as to ensure that PMP had taken all reasonable steps and exercised all due diligence to avoid committing a disciplinary offence.</p> <p>Regarding the discussion draft of CSAs to Clauses 4 and 5 proposed by the Deputy Chairman, the Administration's reiterated that BMO aimed to regulate the conduct and procedures of owners' corporations ("OCs"). While PMCs should assist OCs and owners to comply with BMO, there were very few provisions in BMO that were directly applicable to PMCs. Furthermore, under section 45 and Schedule 10 to BMO, the Lands Tribunal had jurisdiction over the proceedings relating to the interpretation of the provisions in BMO and DMC. The Property Management Services Authority ("PMSA") did not have the authority to determine whether a licensee contravened BMO or DMC and it could not issue codes of conduct for that purpose.</p> <p>The Administration was requested to provide a response in writing to the discussion draft of CSAs proposed by the Deputy Chairman.</p>	<p>Admin to provide its response</p>

Time marker	Speaker	Subject(s)	Action Required
		Members agreed to the Chairman's suggestion that the discussion draft of CSAs proposed by the Deputy Chairman be further considered at the next meeting when the Administration's response was available.	(Para. 4 of the minutes and para. 1 of Annex B refer)
002114 - 002316	Chairman Admin Deputy Chairman	Proposed CSAs to Clauses 5(1), 5(1A) and 5(5) Members raised no question on the proposed amendments.	
002317 - 002610	Chairman Admin ALA8	<i>Proposed CSAs to Clauses 6(2)(c) and 6(3)(c)</i> In the newly proposed Clauses 6(2)(c) and (3)(c), the term "title" was used in the English text and the term "名稱" in the Chinese text. The Legal Adviser to the Bills Committee suggested the Administration considering using "稱銜"、"職稱" or "名銜" as the Chinese equivalent of the term "title" in order to avoid any misunderstanding of the meaning of the term "名稱" in Chinese in relation to personal name. The Administration explained that "名稱" sought to refer to the way "registered professional property manager" and "licensed property management officer" were being addressed, but it would further consider suggestion of the Legal Adviser to the Bills Committee. The Bills Committee noted that there was a typographical error in the English text of the proposed newly added Clause 6(3)(c). The word "professional" should be deleted from the term "licensed professional property management officer".	Admin to consider the suggestion (Para. 2(a) of Annex B refers)
002611 - 002810	Chairman Admin	<i>Proposed CSAs to Clauses 7(2A) and 7(2B)</i> In response to the Chairman's enquiry, the Administration advised that the newly added Clause 7(2B) was proposed to specify that the Bill would not prohibit a person from providing advisory services relating to property management services without consideration. Members raised no question on the proposed amendments.	
002811 - 002844	Chairman Admin	<i>Proposed CSAs to Clauses 7(3) and 7(4)</i> Members raised no question on the proposed amendments.	

Time marker	Speaker	Subject(s)	Action Required
002845 - 004012	Chairman Admin ALA8 Deputy Chairman Mr Alan LEONG	<p><i>Proposed CSAs to Clause 7(4A)</i></p> <p>The newly added Clause 7(4A) was proposed for the purpose of specifying that if an owners' organization decided to switch from engaging a PMC and PMP to "self-management", such decision must be supported by a resolution passed at a general meeting of the owners' organization, otherwise the owners' organization concerned would not be exempted from obtaining PMC licence.</p> <p>The Legal Adviser to the Bills Committee's observations as follows -</p> <p>(a) while BMO stipulated the requirements for convening a general meeting by an OC and the requirement on the percentage of owners' shares for passing a resolution at the general meeting of an OC, there might not be well-defined rules and procedures for other types of owners' organizations in respect of the holding of a general meeting and the passage of a resolution at a general meeting. The Administration was requested to consider whether there was a need to specify in the Bill the minimum percentage of owners' shares required for passing a resolution to cease to engage a PMC or PMP at a general meeting of the owners' organization which did not have any rules and procedures on convening a general meeting and making a decision or passing a resolution at the general meeting; and</p> <p>(b) the terms of "ceases to engage a property management company or property management practitioner" ("終止聘用某物業管理公司或物業管理人") and "cessation" ("終止聘用") might refer to different situations under which the owners' organization resolved to cease to engage a PMC or PMP. For instance, the owners' organization might decide to terminate an existing service agreement with a PMC before the expiry of the agreement or when the agreement expired and then to engage another PMC to manage the property. The Administration was suggested to consider the need to change the term "終止聘用" to "以後不再聘用", so as to make it clear that the newly proposed Clause 7(4A) was made for the purpose of regulating those owner's organizations that decided to switch from engaging a PMC or PMP to "self-management".</p>	<p>Admin to consider the suggestion (Para. 2(b)(i) of Annex B refers)</p> <p>Admin to consider the suggestion (Para. 2(b)(ii) of Annex B refers)</p>

Time marker	Speaker	Subject(s)	Action Required
		<p>The Chairman considered it important that the Administration would endeavor to ensure that the newly added Clause 7(4A) be applicable to all forms of owners' organizations.</p> <p>The Deputy Chairman remarked that to his knowledge, it was quite rare that owners' organizations did not have any established rules and procedures in respect of the holding of a general meeting and the passage of a resolution at a general meeting.</p> <p>The Administration responded that -</p> <p>(a) properties with OCs formed and PMCs engaged would be regulated by BMO. Other owners' organizations, such as those in the form of owners' committees or mutual-aid committees, usually had established rules and procedures in respect of the passage of a resolution at a general meeting; and</p> <p>(b) it would further study the above issues and concerns on the proposed newly added Clause 7(4A) and revert to the Bills Committee.</p> <p>In response to Mr Alan LEONG's enquiry on whether the newly added Clause 7(4A) would be applicable to old buildings which were "self-managed" by owners who did not form any owners' organizations, the Administration explained that these buildings were usually referred to as "three nils" buildings (i.e. those without OCs, residents' organizations or PMCs) and they were not subject to the Bill.</p>	
004013 - 004554	Chairman Admin Mr IP Kwok-him	<p><i>Proposed CSAs to Clause 7(4B)</i></p> <p>Members noted that the proposed newly added Clause 7(4B) specified that a property containing 1 500 flats or more would be prohibited from "self-management" by the owners' organization/ owners.</p> <p>The Administration advised that -</p> <p>(a) the definition of "flat" (單位) in the proposed newly added Clause 7(4B) was the same as that provided in BMO (i.e. "any premises in a building which are referred to in a deed of mutual covenant whether described therein as a flat or by any other name and whether used as a dwelling, shop, factory, office or for any other purpose, of which the owner, as between himself and owners or occupiers of other parts of the same building, is</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>entitled to the exclusive possession"). As such, if a DMC had allocated shares to a premise (such as a parking space), the premise concerned would fall under the definition of "flat"; and</p> <p>(b) among the currently "self-managed" properties, the one with the largest number of flats contained some 1 400 flats. Hence, setting the upper limit at 1 500 flats could strike a balance between the view that owners/OCs should be allowed to continue to "self-manage" their properties after the enactment of the Bill, and another view that it was necessary to impose an upper limit on the number of property units that could be self-managed to address the concern on the possible circumvention of the "self-management" exceptions provided in Clause 7 of the Bill.</p> <p>The Chairman and Mr IP Kwok-him indicated their support to the newly added Clause 7(4B) proposed by the Administration.</p>	
004555 - 005717	Chairman Admin	<p><i>Proposed CSAs to Clause 10</i></p> <p>The Chairman enquired whether the enhanced arrangement for renewing the PMC licences as proposed by amending Clause 10 could deal with the situation where an OC/owners' organization could not convene a general meeting, due to some unforeseen difficulties, in a timely manner for engaging a new PMC after its existing service agreement with a PMC expired. He was concerned that enforcement action would be taken against the OC/owners' organization concerned under this circumstance. He also asked whether any measures would be devised to encourage PMCs/PMPs to apply for renewal of licences in accordance with the stipulated timeframe.</p> <p>The Administration responded that -</p> <p>(a) the proposed amendments to Clause 10 were made for the purpose of providing sufficient time for owners' organizations to make all the necessary arrangements for engaging new PMCs or changing PMCs. Apart from amending Clause 10(1)(a) to require a PMC to apply for renewal of licence within six to nine months before the expiry of the licence, Clause 10(9) was added to stipulate that a licence in respect of which an application for renewal would have expired before the determination of the applications would remain in</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>force until the determination by PMSA of the application. In addition, Clause 10(11) was added to stipulate that if a licensed PMC did not apply for the renewal of the PMC licence within the stipulated timeframe, PMSA must, by notice in writing given to the owners or owners' organizations of the property for which the PMC provided property management services, inform the owners or owners' organizations of that fact;</p> <p>(b) PMSA would consider and decide whether it was appropriate to take enforcement action on a case-by-case basis; and</p> <p>(c) for licence renewal applications made after the stipulated timeframe, considerations would be given to empower PMSA to charge an additional fee.</p> <p>The Administration added that after consulting the Department of Justice, it considered unnecessary to change the word "must" to "may" in the English text of Clause 10(2). The rationale for that was detailed in paragraphs 4 to 6 of the Administration's response to the matters raised at the meeting on 28 October 2015 [LC Paper No. CB(2)221/15-16(01)].</p>	
005718 - 010007	Chairman Admin ALA8	<p><i>Proposed CSAs to Clauses 11(2)(a)(ii), b(iii) and (c)(iv), and (4)(a)(ii) and (b)(iii)</i></p> <p><i>Proposed CSAs to Clauses 13(2)(h) and (ha) and 13(7) and (8)</i></p> <p>Members raised no question on the proposed amendments.</p>	
010008 - 010141	Chairman Admin	<p><i>Proposed CSAs to Clause 15(1)</i></p> <p>In response to the Chairman's enquiry, the Administration advised that the proposed newly added Clause 15(1) would empower PMSA to prescribe, by regulation, the fees that might be charged for, among others, licence renewal applications made after the stipulated timeframe.</p>	
010142 - 010546	Chairman Admin	<p><i>Proposed CSAs to Clauses 16(1A), (1), (2), (2A), (3) and (4)</i></p> <p>Members raised no question on the proposed amendments.</p>	

Time marker	Speaker	Subject(s)	Action Required
010547 - 010717	Chairman Admin	<i>Proposed CSAs to Clauses 21(5) and (6)(a)</i> Members raised no question on the proposed amendments.	
010718 - 010911	Chairman Admin	<i>Proposed CSAs to Clauses 24(1) and (4)</i> Members raised no question on the proposed amendments.	
010912 - 011049	Chairman Admin	<i>Proposed CSAs to Clauses 25(1)(b) and (5)</i> Members raised no question on the proposed amendments.	
011050 - 011206	Chairman Admin	The Administration's explanation for why it considered unnecessary to propose any CSAs to Clauses 21, 24 and 36 as well as section 22 of Schedule 3 to the Bill for the purpose of providing that any reference to "documents" would include electronic documents or electronically stored information, as set out in paragraphs 7 to 9 of the Administration's response to the matters raised at the meeting on 28 October 2015 [LC Paper No. CB(2)221/15-16(01)].	
011207 - 011255	Chairman Admin	<i>Proposed CSAs to Clause 31(4)</i> Members raised no question on the proposed amendment.	
011256 - 011408	Chairman Admin	The Administration undertook to report to the Bills Committee regarding the question of whether Clause 31 on "self-incrimination" should be applicable to the hearings of PMSA, disciplinary committee and appeal tribunal.	Admin to revert to the Bills Committee (Para. 6 of the minutes and para. 3 of Annex B refer)
011409 - 011536	Chairman Admin	<i>Proposed CSAs to Clauses 36(1)(d) and (3)</i> Members raised no question on the proposed amendments.	
011537 - 011837	Chairman Admin ALA 8	<i>Proposed CSAs to Clause 37(1)</i> The newly added Clause 37(1) was proposed to empower the appeal tribunal to make an order for costs and expenses incurred in relation to hearings before the tribunal.	

Time marker	Speaker	Subject(s)	Action Required
		<p>In response to the enquiry made by the Legal Adviser to the Bills Committee, the Administration advised that under Clause 33(1)(e), the appeal tribunal would have the power to conduct hearing on appeal against orders made under Clause 25(2) (i.e. orders to pay the costs and expenses incurred in relation to disciplinary hearings before PMSA or the disciplinary committee).</p>	
011838 - 012033	Chairman Admin	<p><i>Proposed CSAs to Clause 39A and Schedule 2</i></p> <p>Members raised no question on the proposed amendments.</p>	
012034 - 012823	Chairman Admin	<p>Under Clause 2 of the Bill, PMC meant a business entity (whether a company, partnership or sole proprietorship) that carried on the business of providing property management services. Clause 3(1) provided that PMSA might, by regulation, prescribe a service falling within a category of services set out in Schedule 1 to the Bill as a property management service. The Chairman was concerned about when information on the service(s) within each category of services set out in Schedule 1 would be available.</p> <p>The Administration responded that the seven categories of property management services listed out in Schedule 1 to the Bill was modelled on the Specification of Competency Standards for Property Management Industry of the Hong Kong Qualifications Framework and details of the expected services within each category were set out in its paper provided to the Bills Committee in January 2015 [LC Paper No. CB(2)556/14-15(02)]. PMCs providing more than one category or sub-category of services would be required to obtain licences. A subsidiary legislation would be made, after the passage of the Bill, specifying the service(s) within a category of services set out in Schedule 1 to the Bill as a property management service.</p> <p>The Chairman reminded the Administration that when the Bills Committee discussed the relevant subject, the Administration had undertaken to provide further information in relation to the subsidiary legislation to the relevant Panel for consideration as early as practicable.</p>	

Time marker	Speaker	Subject(s)	Action Required
012824 - 013128	Chairman Admin	<p><i>Proposed CSAs to Schedule 3, sections 3, 6, 9 and 13(1A)</i></p> <p>Members raised no question on the proposed amendments.</p>	
013129 - 013306	Chairman Admin ALA8	<p><i>Proposed CSAs to Schedule 3, section 13(5)</i></p> <p>The proposed newly added section 13(5) of Schedule 3 provided that a written resolution assented to by PMSA members would become void if a meeting be subsequently requested by any PMSA member.</p> <p>The Legal Adviser to the Bills Committee enquired whether there was a need to specify in the Bill that the request for such a meeting be made within 14 days after the date on which the notice was given to all PMSA members for assenting to the resolution.</p>	
013307 - 013337	Chairman Admin	<p><i>Proposed CSAs to Schedule 3, section 19(1)</i></p> <p>Members raised no question on the proposed amendment.</p>	
013338 - 013858	Chairman Admin Mr Alan LEONG ALA8	<p><i>Proposed CSAs to Schedule 3, section 20(2)</i></p> <p>Section 20(2) of Schedule 3 was made to require the annual report of PMSA to contain an outline of all hearings conducted under Clause 23.</p> <p>Mr Alan LEONG suggested that the Administration should further study whether the Bill could specify the content of the outline, so as to make it clear that the outline should serve the purpose of providing useful reference (such as reasons for the determinations) to relevant parties including owners, PMCs and PMPs.</p> <p>Mr Alan LEONG also requested the Legal Adviser to the Bills Committee to study the relevant legislation and report to the Bills Committee on whether the Bill could specify the content of the outline.</p>	<p>Admin to consider the suggestion (Para. 2(c) of Annex B refers)</p> <p>Legal Adviser to the Bills Committee to follow up</p>
013859 - 014245	Chairman Admin ALA8 Mr Alan LEONG	<p><i>Proposed CSAs to Schedule 3, section 22(3)</i></p> <p>The proposed amendment to section 22(3) of Schedule 3 stipulated that "the Director of Audit may report to the President of the Legislative Council the results of the examination, and the President of the Legislative Council must, on receiving the results, cause them to be laid on the table of the Legislative Council".</p>	

Time marker	Speaker	Subject(s)	Action Required
		The Legal Adviser to the Bills Committee advised that under Rule 21 of the Rules of Procedure of the Legislative Council, the Director of Audit was one of the designated public officers to present papers to the Council. The Administration was requested to consider amending section 22(3) of Schedule 3 such that the Director of Audit may directly present the results of the examination to LegCo.	Admin to consider the suggestion (Para. 2(d) of Annex B refers)
014246 - 014348	Chairman Admin	<i>Proposed CSAs to Schedule 3, sections 23 (1) and (9)</i> Members raised no question on the proposed amendments.	
014349 - 014534	Chairman Admin	<i>Proposed CSAs to Schedule 4, sections 3(1), 3A and 4(1)(a)</i> Members raised no question on the proposed amendments.	
014535 - 014716	Chairman Admin	The Chairman's remarks on the follow-up actions required of the Administration.	
014717 - 014853	Chairman Admin ALA8	In response to the enquiry previously made by the Legal Adviser to the Bills Committee on the proposed CSAs to section 13(5) of Schedule 3, the Administration advised that section 13(4) of Schedule 3 provided that a request for a meeting made under sections 13(5) of Schedule 3 must be made within 14 days after the date on which the notice was given to all PMSA members for assenting to the resolution.	
014854 - 014954	Chairman	Date of next meeting The Chairman's closing remarks	

**Bills Committee on
Property Management Services Bill**

**List of follow-up actions arising from the discussion
at the meeting on 10 November 2015**

1. The Bills Committee requested the Administration to provide a response in writing to the discussion draft of Committee stage amendments ("CSAs") proposed by Hon WU Chi-wai, Deputy Chairman of the Bills Committee, which was tabled at the meeting (see LC Paper No. CB(2)245/15-16(01)).
2. The Bills Committee requested the Administration to consider the following comments/observations raised by members and the Legal Adviser to the Bills Committee on the draft CSAs proposed by the Administration -
 - (a) in the newly proposed Clauses 6(2)(c) and (3)(c), the term "title" is used in the English text and the term "名稱" in the Chinese text. The Administration was suggested to consider using "稱銜"、"職稱" or "名銜" as the Chinese rendition of the term "title" in order to avoid any misunderstanding of the meaning of the term "名稱" in Chinese in relation to personal name;
 - (b) regarding the newly proposed Clause 7(4A), concerns were raised that -
 - (i) while the Building Management Ordinance (Cap. 344) stipulated the requirements for convening a general meeting by an owners' corporation ("OC") and the requirement on the percentage of owners' shares for passing a resolution at the general meeting of an OC, there might not be well-defined rules and procedures for other types of owners' organizations in respect of the holding of a general meeting and the passage of a resolution at a general meeting. The Administration was requested to consider whether there was a need to specify in the Bill the minimum percentage of owners' shares required for passing a resolution to cease to engage a property management company ("PMC") or property management practitioner ("PMP") at a general meeting of the owners' organization which did not have any rules and procedures on convening a general meeting and making a decision or passing a resolution at the general meeting;

- (ii) the terms of "ceases to engage a property management company or property management practitioner" ("終止聘用某物業管理公司或物業管理人") and "cessation" ("終止聘用") might refer to different situations under which the owners' organization resolved to cease to engage a PMC or PMP. For instance, the owners' organization might decide to terminate an existing service agreement with a PMC before the expiry of the agreement or when the agreement expired and then to engage another PMC to manage the property. The Administration was suggested to consider the need to change the term "終止聘用" to "以後不再聘用", so as to make it clear that the newly proposed Clause 7(4A) was made for the purpose of regulating those owner's organizations that decided to switch from engaging a PMC or PMP to "self-management";
- (c) section 20 of Schedule 3 was made to require the annual report of the Property Services Management Authority ("PMSA") to contain an outline of all hearings conducted under Clause 23. Hon Alan LEONG suggested that the Administration should further study whether the Bill could specify the content of the outline, so as to make it clear that the outline should serve the purpose of providing useful reference (such as reasons for the determinations) to relevant parties including owners, PMCs and PMPs; and
- (d) the newly proposed section 22 of Schedule 3 stipulated that "the Director of Audit may report to the President of the Legislative Council the results of the examination, and the President of the Legislative Council must, on receiving the results, cause them to be laid on the table of the Legislative Council". Members noted that under Rule 21 of the Rules of Procedure of the Legislative Council, the Director of Audit was one of the designated public officers to present papers to the Council. The Administration was requested to consider amending the Clause such that the Director of Audit may directly present the results of the examination to the Legislative Council.

3. The Administration undertook to report to the Bills Committee regarding the question of whether Clause 31 on "self-incrimination" should be applicable to the hearings of PMSA, disciplinary committee and appeal tribunal.