

**The Government's response to the matters raised
at the meeting of the Bills Committee
on the Property Management Services Bill
on 21 April 2015**

Purpose

This paper sets out the Government's response to Members' concerns raised at the meeting of the Bills Committee on 21 April 2015.

Advisory Committee on the Regulation of the Property Management Industry (the Advisory Committee)

2. For the implementation of the regulatory regime for the property management industry, we have been maintaining close communication and collaboration with the property management industry and other stakeholders. In November 2011, we established the Advisory Committee, comprising members from the property management industry, related professions (including surveying, legal and accounting, etc.) and the community, to advise the Administration on formulating the details of the regulatory regime for the property management industry.

3. We have subsequently formed Subcommittees and dedicated Working Groups under the Advisory Committee so as to allow more detailed and focused discussion on the details of the regulatory regime in relation to property management companies (PMCs) and property management practitioners (PMPs). These include the detailed licensing criteria for PMCs and PMPs, the codes of conduct, as well as the constitutional, administrative and financial arrangements of the Property Management Services Authority (PMSA), etc.

4. The Advisory Committee, Subcommittees and Working Groups held 21 meetings so far. At its meeting on 14 December 2012, the Working Group formulated the preliminary proposal on the licensing criteria for PMP licences, which covered academic qualifications, professional qualifications, years of working experience and the suitability of the person in holding a PMP licence. The Advisory Committee confirmed the Working Group's proposal at its meeting on

29 October 2013. The relevant proposal will be referred to the future PMSA for reference.

Number of Graduates from Property Management Related Courses at Degree Level or Equivalent Each Year

5. After the establishment of the PMSA, it will specify the licensing criteria for PMP licences in the subsidiary legislation, which will include the details of the academic requirements, for instance, the degree courses to be considered as property management related or equivalent, etc.

6. We understand that at present, certain property management related professional bodies (e.g. the Hong Kong Institute of Housing) already recognised some property management or related degree courses provided by universities or tertiary institutions¹ as academic requirements for admission as member. We have sought assistance from the relevant professional bodies / associations for the updated figures on the current number of enrolments and graduates of the relevant courses provided by tertiary institutions for Members' reference. We will report to the Committee upon receiving the relevant information.

Clause 25(1)(b) and Schedule 2

7. Clause 25(1)(b) of the Bill empowers the PMSA if it is satisfied at the conclusion of a hearing that a licensee has committed a disciplinary offence or no longer meets any of the prescribed criteria for holding a licence, the PMSA may make an order against the licensee by imposing a fine not exceeding the amount specified in Schedule 2. We have examined the arrangements of other licensing or registration regimes, and noted that the disciplinary orders for certain licensing or registration

¹ For example Master of Housing Management (Professional Stream), Department of Urban Planning and Design, Faculty of Architecture, The University of Hong Kong; BSc (Hons) in Property Management, Hong Kong Polytechnic University; BSocSc (Hons) in Administration and Public Management, MA in Housing Studies, and BA (Hons) in Housing Studies, City University of Hong Kong and Professional Diploma in Housing Management, HKU SPACE, etc.

regimes (e.g. surveyors, social workers, Chinese medicine practitioners, etc.) do not include fine; as for the licensing or registration regime that has fine arrangement (i.e. estate agents), the maximum amount of fine is stipulated in the relevant Principal Ordinance. In order to allow the PMSA to flexibly and timely amend the maximum amount of fine to be imposed by disciplinary orders having regard to the actual circumstances, we recommend stipulating the maximum amount of fine in the Schedule.

Hearing before PMSA and Hearing before Disciplinary Committee

8. Clause 18 of the Bill empowers the PMSA to conduct an investigation into a licensee if it has reasonable cause to suspect that the licensee has committed a disciplinary offence, no longer meets the criteria for holding a licence, or it has received a complaint in this regard. If, at the conclusion of the investigation, the PMSA is satisfied that there is evidence that tends to establish that the licensee has committed a disciplinary offence or no longer meets the criteria for holding a licence, the PMSA may, depending on the severity of the case, decide whether to conduct a disciplinary hearing by the PMSA or the disciplinary committee. Our intention is that the more serious cases will be handled by the PMSA and the relatively minor ones will be handled by the disciplinary committee.

9. Under Section 23 of Schedule 3 to the Bill, the PMSA may establish a disciplinary committee, which consists of at least three members and the majority of them must be members of the PMSA. In appointing the members of the disciplinary committee, the PMSA will select persons with appropriate background to ensure that all cases are handled in a fair, impartial and independent manner. As for disciplinary hearings conducted by the PMSA, all members of the PMSA may attend.

Other Clauses

10. We, in collaboration with the Department of Justice, are examining the Committee's comments on Clauses 30, 31 and 36 of the Bill. We will report to the Committee in due course.

Home Affairs Department
May 2015