

**The Administration's Response to the Submissions from the Public
to the Bills Committee on the Property Management Services Bill**

Purpose

The Administration's responses to the recent submissions on the licensing requirements and transitional arrangements for property management practitioners (PMPs) received by the Bills Committee are set out in the ensuing paragraphs.

Licensing Requirements for PMPs

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 on the Regulation of the Property Management Industry (the Advisory Committee), comprising members from the property management industry, related professions (including surveying, legal and accounting, etc.) and the community, to advise on the formulation of the details of the regulatory regime on the property management industry. Subsequently, we formed sub-committees and dedicated working groups (the Working Group) under the Advisory Committee to deliberate on and study the detailed licensing criteria for property management companies (PMCs) and PMPs.

3. The quality of PMPs is pivotal to good property management. Therefore, we and the industry as well as other stakeholders unanimously agreed that to ensure the quality and professional standard of PMPs, the licensing requirements should cover academic qualifications, professional qualifications, years of working experience and the suitability of the person in holding PMP licence¹.

¹ This includes the conviction record of the person and whether he is a bankrupt or a mentally disordered person, etc. Details as set out in Clause 11 of the Bill.

4. After deliberation by the Working Group, the Advisory Committee has proposed the requirements on academic qualifications, professional qualifications and years of working experience for licensed PMP as follows –

Licensed PMP (Tier 1)

The person concerned should hold –

- (i) (a) degree or equivalent qualification in property management to be specified by the Property Management Services Authority (PMSA), plus at least three years of local working experience in property management; or
- (b) other degree(s) or equivalent qualification or above, plus at least five years of local working experience in property management;

and

should be –

- (ii) (a) member of property management related professional bodies to be specified by the PMSA; or
- (b) subject to professional assessment (e.g. interview) by the PMSA if considered necessary.

Licensed PMP (Tier 2)

The person concerned should hold –

- (i) (a) degree or equivalent qualification or above (applicable to those not fully satisfying the Tier 1 requirements); or
- (b) diploma, sub-degree or equivalent qualification in property management to be specified by the PMSA;

and

should have –

- (ii) (a) at least two years of local working experience in property management; or
- (b) at least one year of local working experience in property management under the supervision of a Tier 1 PMP.

5. We have clearly stated in the Legislative Council Brief on the Bill (the Brief) (see paragraph 9 of the Brief) our policy objective in respect of the licensing requirements for PMPs. Our preliminary thoughts on the licensing requirements for PMPs as set out in our response to the Bills Committee in January 2015 (LC paper No. CB(2)556/14-15(02)) are fully in line with the policy objective and the proposals in paragraph 4 above. There is no suggestion that PMPs will be required to satisfy either the academic or professional qualification requirements. Hence, the issue of “the Home Affairs Department deviates from the original agreement with the professional community” or “lowering of high standards as originally envisaged and agreed upon” does not exist.

6. We believe that the concerns expressed in the submissions from the professional institutes and associations and other parties arose purely from misunderstanding. We have met with the seven professional institutes and associations to clarify the policy objective and proposals. They are supportive of the proposed licensing criteria in paragraph 4 above.

7. Regarding the proposal that a person holding non-property management related degree but with five years of working experience in property management be allowed to obtain the PMP (Tier 1) licence after possessing qualifications of the related professional institutes or passing the assessment of the PMSA, we consider it appropriate and reasonable because –

- (i) at present, the number of vacancies in property management related degrees is still limited. If practitioners are required to hold relevant degrees before they can obtain the PMP (Tier 1) licence, experienced PMPs, even if they are already members

of the related professional institutes, may not be able to fulfil the licensing requirements as they may not have the property management related degrees; and

- (ii) the PMSA will require licensed PMPs to take courses on continuing professional development (CPD). We believe that practitioners with ample relevant local working experience in property management, a formal degree and completion of the CPD courses can attain the professional standard of Tier 1 PMPs. We understand that certain professional bodies, e.g. the Hong Kong Institute of Surveyors, also accept persons with ample experience but holding degrees in other fields to become members, provided that they have passed the professional assessment.

Transitional Arrangements

8. In order to allow sufficient time for the PMCs and PMPs to prepare themselves, we have formulated the transitional arrangements with reference to other similar licensing regimes, e.g. the licensing regime for estate agents.

9. We propose a three-year transitional period after the enactment and implementation of the principal ordinance and subsidiary legislation. PMPs who have already met the licensing criteria of formal licences may apply for the licences direct during the transitional period. During the transitional period, experienced PMPs who do not satisfy the requirements concerning academic qualification will be granted provisional licences after meeting certain basic requirements (e.g. years of working experience) so that they can continue to provide property management services. They will be granted formal licences after completion of the CPD courses recognised by the PMSA in three years. The PMSA will also draw reference from the practice of other related professional bodies and consider accepting experienced PMPs to submit dissertations or reports in lieu of completion of the CPD courses.

10. The proposed transitional arrangements allow existing senior PMPs who have not fully met the licensing requirements to obtain a licence on one hand, and ensure that they attain a specified professional standard on the other so as to maintain the impartiality and credibility of the licensing regime. The proposals have the support of the Advisory Committee. To prepare for the full implementation of the licensing regime, the PMSA will organise publicity and educational programmes on the licensing requirements and to promote the regime to the public. The PMSA will also liaise closely with the industry organisations and local tertiary institutes to ensure that sufficient training will be provided to PMPs to meet the licensing requirements.

Home Affairs Department
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