

LEGISLATIVE COUNCIL BRIEF

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1999

INTRODUCTION

A At the meeting of the Executive Council on 30 November 1999, the Council ADVISED and the Chief Executive ORDERED that the Landlord and Tenant (Consolidation)(Amendment) Bill 1999 (the Bill), at Annex A, should be introduced into the Legislative Council.

BACKGROUND AND ARGUMENT

General Background

2. The Landlord and Tenant (Consolidation) Ordinance (LTO) was enacted in 1973 by consolidating all previous legislation relating to rent control and landlord and tenant matters. It consists of seven parts –

- (a) Parts I and II, which expired on 31 December 1998, dealt respectively with rent increase control and security of tenure of pre-war and certain post-war domestic tenancies;
- (b) Part III deals with distress for rent;
- (c) Part IV provides for security of tenure for most domestic tenancies and those domestic tenancies which used to be protected by Parts I and II;
- (d) Part V provides for notice of termination of tenancies of mostly non-domestic premises; and
- (e) Parts VI and VII are concerned with the recovery of small tenements and miscellaneous matters respectively.

Proposed Amendments

3. We have completed a review of the LTO, taking into account operational experience in past years. We propose to amend the LTO to simplify tenancy renewal procedures, improve the basis of calculating compensation for the tenant and sub-tenant occupying small premises repossessed by the landlord for redevelopment, increase penalties for harassment of the tenant and unlawful eviction. Amendments are also proposed to ensure that the provisions of the LTO are consistent with the human rights provisions in the Basic Law, and to improve the general administration of the LTO.

Tenancy Renewal Procedures under Part IV of the Landlord and Tenant (Consolidation) Ordinance

4. Part IV of the LTO covers most domestic tenancies and provides for security of tenure to the tenant who is willing to pay the prevailing market rent upon the expiry of the existing tenancy. The existing statutory procedures for renewing a tenancy under Part IV are complicated. Many tenants, especially those living in small flats and cubicles, have difficulty in following these procedures. There are also strict time limits on the exchange of statutory documents between the landlord and the tenant.

5. Failing to reach agreement with the landlord, the tenant may apply to the Lands Tribunal for granting of a new tenancy. The Lands Tribunal has also indicated that the complicated procedures and strict time limits stipulated under Part IV are preventing it from determining applications for new tenancy solely on their merits. Flowcharts illustrating the current tenancy renewal procedures and our proposed changes are at Annex B.

B

6. In order to streamline the tenancy renewal procedures so as to facilitate the landlord and the tenant in reaching agreement and to give the Lands Tribunal the discretion in handling tenancy renewal applications involving notices not served or submitted within statutory time limits, we **propose** that –

- (a) The lead time for the landlord to serve a notice of termination of tenancy on the tenant (Form CR101) and for the tenant to make a request for a new tenancy (Form

CR103) should be shortened, **from** not more than seven nor less than six months **to** not more than four nor less than three months before the date of termination or beginning of a new tenancy. The existing prolonged notice period prevents the landlord and the tenant from taking into account the rapidly changing circumstances nearer to the expiry of the existing tenancy.

- (b) The provision for the landlord to serve a notice to the tenant requiring the tenant to make an application to the Lands Tribunal in two months for granting a new tenancy (Form CR105) should be removed. Service of such a notice is considered redundant.
- (c) Provisions should be made to provide for the landlord and the tenant to apply to the Commissioner of Rating and Valuation for rental information of comparable premises at a fee. This will facilitate agreement between the landlord and the tenant on the level of rent for renewal of a tenancy without recourse to legal proceedings at the Lands Tribunal.
- (d) The landlord should be allowed to change or add grounds of opposition to a tenancy renewal application made by the tenant to the Lands Tribunal owing to change of circumstances arising after the service of notice of termination or opposition (Form CR 101 or Form CR 104). The Lands Tribunal can then determine the case on its full merits.
- (e) The Lands Tribunal should be empowered to hear cases in which the landlord or the tenant fails to observe statutory time limits in serving or submitting notices with good cause.

Penalties on Harassment of the Tenant and Unlawful Eviction

7. Under Part IV of the LTO, harassment of the tenant and unlawful eviction are offences liable on conviction to a fine of \$500,000 and, in addition, on a subsequent conviction, to imprisonment for 12 months. Legislative Councillors and the public have expressed concern in the past over the use of unlawful means to evict the tenant in order to

recover premises for redevelopment, and have suggested that heavier penalties should be imposed on such offences.

8. In order to deter such offences, we **propose** to impose heavier penalties - a fine of \$500,000 and imprisonment for 12 months on first conviction; and a fine of \$1 million and imprisonment for three years on a subsequent conviction. In order to facilitate prosecution, we also **propose** to amend the LTO to require the prosecution to prove that the defendant knows or has reasonable cause to believe that his/her act is likely to cause the tenant to give up occupation of the premises, rather than to prove the intent of the defendant.

Compensation for the Tenant and Sub-tenant upon Redevelopment

9. When premises are repossessed for redevelopment, the statutory compensation payable by the landlord to the tenant and sub-tenant under Part IV of the LTO is calculated according to a sliding scale of compensation levels as follows –

Rateable Value (RV)	Multiplier
For the first \$30,000 of the RV (where RV does not exceed \$30,000)	7
For the second \$30,000 of the RV (where RV exceeds \$30,000 but does not exceed \$60,000)	5
For the third \$30,000 of the RV (where RV exceeds \$60,000 but does not exceed \$90,000)	3
For the remainder of the RV (where RV exceeds \$90,000)	1

10. Where premises are partitioned and sub-let, compensation is calculated in accordance with the rateable value of the whole flat and then apportioned among the tenant and sub-tenant. Owing to the higher rateable value for the whole flat (as compared with that for a part or sub-let portion within the flat), the apportioned compensation to each tenant or sub-tenant is much reduced. This method of calculation is not consistent with the spirit that the tenant and sub-tenant occupying smaller areas should receive higher compensation to alleviate hardship arising from relocation.

C

11. We **propose** to improve the method of calculating compensation by making reference to the rateable value of the actual portion of the flat which the tenant or sub-tenant occupies. An example illustrating the existing and proposed methods of calculation and compensation is given at Annex C.

Facilitating Private Settlement in Redevelopment Cases

12. The process of redevelopment can be expedited if vacant possession can be obtained through voluntary surrender of premises by the tenant with an agreed level of compensation payable to affected tenants without the need to initiate any legal proceedings. However, in many cases, the tenants of premises do not have any idea of the amount of statutory compensation which they may obtain. To facilitate negotiation between the landlord and the tenant with a view to agreeing on a mutually acceptable amount of compensation, we **propose** to allow the Commissioner of Rating and Valuation to issue, on application at a fee, a certificate of the rateable value of the premises concerned and the amount of statutory compensation payable.

Ensuring Compliance with Human Rights Provisions in the Basic Law

13. Part V of the LTO provides for notice of termination of tenancies of mostly non-domestic premises and specifies a list of tenancies to which Part V will not apply. In case of dispute over whether a fixed term tenancy not exceeding one year should be excluded from Part V, the Commissioner of Rating and Valuation's decision will be final. As this does not provide parties aggrieved by the determination of the Commissioner any channel of appeal and in order to ensure consistency with the human rights provisions in the Basic Law⁽¹⁾, we **propose** to provide for an avenue of appeal to the Lands Tribunal.

14. Part III of the LTO stipulates that a person shall be deemed to be guilty of an offence for fraudulently removing movable properties

Note ⁽¹⁾: 'Right to fair and public hearing' as provided for under Article 14(1) of the International Covenant on Civil and Political Rights as applied by Article 39 of the Basic Law to Hong Kong and section 8 (Article 10) of the Hong Kong Bill of Rights Ordinance.

under distraint or liable to be seized for distress for rent. Under Part IV, a landlord may serve a notice of termination (Form CR101) or oppose an application for a new tenancy by a tenant (Form CR104) on the grounds of self-occupation or intention to rebuild and, if the landlord successfully opposes the grant of a new tenancy, he/she will be restricted from letting or assigning the repossessed premises for 24 months, contravention of which is a criminal offence. It is currently stipulated that even when such an application for a new tenancy made to the Lands Tribunal does not proceed and the tenant agrees to give up the possession of the premises, the landlord shall be deemed to be restricted in the same manner as if he/she has successfully opposed an application. We **propose** to amend the relevant provisions under Parts III and IV by removing the deeming provisions to ensure consistency with the human rights provisions in the Basic Law⁽²⁾.

Repealing Transitional Provisions under Part V in Respect of Business Premises Used Partly for Human Habitation

15. When business premises were excluded from the operation of Part I of the LTO in 1984, a number of provisions were introduced under Part V to give protection to those tenancies of pre-war business premises which were used partly for human habitation since 1979. With the passage of time, the number of such business premises has become very few and the Lands Tribunal has rarely handled any such cases in the past five years. We **propose** to repeal these provisions so that all tenancies of business premises will be subject to control under Part V.

Improving Operation of the Landlord and Tenant (Consolidation) Ordinance

16. We **propose** that the power to amend the Fourth and Fifth Schedules to the LTO (which stipulate fees and specified forms for distress for rent) be transferred from the Chief Executive to the Secretary for Housing. We **propose** to include provisions to specify forms for

Note ⁽²⁾: 'Presumption of innocence' as provided for under Article 14(2) of the International Covenant on Civil and Political Rights as applied by Article 39 of the Basic Law to Hong Kong and section 8 (Article 11) of the Hong Kong Bill of Rights Ordinance.

making various applications to the Commissioner of Rating and Valuation, and to provide for forfeiture of a tenancy under Part IV if the tenant fails to pay rent within 15 days of the due date. We **propose** to prescribe a fee for obtaining information on rateable values of premises for purposes specified under various Parts of the Ordinance. We also **propose** to empower the Financial Secretary to determine various fees by notice in the Gazette.

Technical Amendments

17. Other technical amendments include provisions to increase the specified level of rateable value as stipulated under certain provisions for determining the applicability of such provisions under Parts III and VI to the premises concerned. Under Part III, a landlord may apply for a warrant for repossession of deserted premises with rateable value below \$30,000 in respect of which the rent is in arrears for two months and there is insufficient distress left for recovery of the rent. Under Part VI, a landlord may apply to the District Court for repossession of premises with rateable value below \$30,000 in case of illegal occupation. We **propose** to increase the specified level of rateable value from \$30,000 to \$100,000 to cover most domestic units sized below 75m².

Consequential and Other Amendments

18. With the proposed jurisdiction of the Lands Tribunal in dealing with appeals against the Commissioner of Rating and Valuation's decision on exclusion of a tenancy from Part V, the expiry of Parts I and II on 31 December 1998, as well as the need to remove obsolete references such as "tenancy tribunal", we **propose** to make a number of consequential and related amendments to the Lands Tribunal Ordinance, Lands Tribunal Rules, Rating Ordinance, District Court Civil Procedure (General) Rules, District Court Civil Procedure (Forms) Rules, Government Rent (Assessment and Collection) Ordinance, Hop Yat Church of the Church of Christ in China Incorporation Ordinance and The Methodist Church, Hong Kong, Incorporation Ordinance.

THE BILL

19. The main provisions of the Bill are -
- (a) **Clauses 2, 31 and 34** provide for the issue of certain certificates by the Commissioner of Rating and Valuation at a fee to be determined by the Financial Secretary by notice in the Gazette. **Clauses 7, 8(b), 18(a) and 19** provide for fees for various existing services to be determined by the Financial Secretary by notice in the Gazette.
 - (b) **Clauses 4, 32 and 33** increase the ceiling of rateable value of premises from \$30,000 to \$100,000 which may be repossessed by means of the procedures stipulated under Parts III or VI.
 - (c) **Clauses 5 and 18(b)** remove the “deemed to be” reference from section 111 and repeal section 119H(7) containing the deeming provision which may be inconsistent with the human rights provisions in the Basic Law.
 - (d) **Clause 6** transfers the statutory powers under section 114 to amend the Fourth and Fifth Schedules from the Chief Executive to the Secretary for Housing.
 - (e) **Clauses 10, 11 and 14(b)** shorten the statutory periods for the service of notices relating to termination of a tenancy or request for a new tenancy. **Clause 14(c)** empowers the Lands Tribunal to entertain an application for a new tenancy lodged outside the time limits specified under section 119D(2) or (3). **Clause 15** empowers a landlord to oppose an application for a new tenancy under section 117(1) on any of the grounds specified in section 119E(1) notwithstanding that he/she has not stated such grounds in his/her notice served previously under section 119 or 119A(6).
 - (f) **Clause 12** empowers the Commissioner of Rating and Valuation to provide tenancy information of comparable premises to the landlord and the tenant on application at a fee.

- (g) **Clause 13** empowers the Lands Tribunal to determine the terms of a new tenancy where the landlord and the tenant are unable to reach an agreement.
- (h) **Clause 16(b)** amends section 119F(4) to change the method of calculation of compensation payable to affected tenants and sub-tenants where the premises are to be repossessed by the landlord for rebuilding.
- (i) **Clause 17** empowers the Commissioner of Rating and Valuation to issue certificates stating the rateable value of premises and the amount of statutory compensation payable to the tenant under section 119F(4) at a fee as if the landlord has successfully opposed the grant of a new tenancy by the Lands Tribunal on the ground of an intention to rebuild.
- (j) **Clause 23** clarifies the Commissioner of Rating and Valuation's power to disclose information to specified persons including the landlord and the tenant.
- (k) **Clause 25** repeals and replaces provisions dealing with harassment and unlawful eviction of the tenant (whether by the landlord or others) to impose heavier penalties for such offences and to remove the requirement for the prosecution to prove the intent of the defendant.
- (l) **Clauses 26, 28, 29 and 30** repeal transitional provisions under Part V so that all tenancies in business premises will be subject to the same provisions in respect of the notice of termination.
- (m) **Clause 27** provides for an appeal to the Lands Tribunal against the Commissioner of Rating and Valuation's decision under section 121(3) as to whether a non-domestic tenancy should be excluded from Part V.
- (n) **Clause 34 and the Schedule to the Bill** provide respectively for transitional provisions under the LTO and consequential and related amendments to various Ordinances.

PUBLIC CONSULTATION

20. The Legislative Council Panel on Housing was consulted in early November 1999 and expressed support in principle for the proposals.

BASIC LAW IMPLICATIONS

21. The Department of Justice advises that the Bill is consistent with those provisions of the Basic Law carrying no human rights implications.

HUMAN RIGHTS IMPLICATIONS

22. The Department of Justice advises that the Bill is consistent with the human rights provisions of the Basic Law.

BINDING EFFECT OF THE LEGISLATION

23. The amendments will not affect the current binding effect of the LTO, Lands Tribunal Ordinance, Lands Tribunal Rules, Rating Ordinance, District Court Civil Procedure (General) Rules, District Court Civil Procedure (Forms) Rules, Government Rent (Assessment and Collection) Ordinance, Hop Yat Church of the Church of Christ in China Incorporation Ordinance and The Methodist Church, Hong Kong, Incorporation Ordinance.

FINANCIAL AND STAFFING IMPLICATIONS

24. Capital expenditure of about \$1 million (mainly in terms of non-recurrent staff costs) will be required to enhance existing computer systems to cope with the additional work. This will be absorbed through internal redeployment within the Rating and Valuation Department. There are no other significant financial or staffing implications. The estimated revenue to be generated from the proposed charging of fees is around \$1 million per annum.

ECONOMIC IMPLICATIONS

25. The Bill does not have any major economic implications. The improvement brought by the Bill will facilitate the landlord and the tenant in settling tenancy matters.

LEGISLATIVE TIMETABLE

26. The legislative timetable will be -

Publication in the Gazette	3 December 1999
First Reading and commencement of Second Reading debate	15 December 1999
Resumption of Second Reading debate, committee stage and Third Reading	to be notified

PUBLICITY

27. A Legislative Council brief and a press release will be issued on 3 December 1999. A spokesman will be available for answering media enquiries.

Housing Bureau
Government Secretariat
December 1999

File Reference : HB(CR) 7/5/1

LANDLORD AND TENANT (CONSOLIDATION) (AMENDMENT) BILL 1999

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A BILL

To

Amend the Landlord and Tenant (Consolidation) Ordinance.

Enacted by the Legislative Council.

1. Short title and commencement

(1) This Ordinance may be cited as the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1999.

(2) This Ordinance shall come into operation on a day to be appointed by the Secretary for Housing by notice in the Gazette.

2. Certificate as to rateable value

Section 75A of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) is amended -

(a) by renumbering it as section 75A(1);

(b) by adding -

“(2) A person may apply to the Commissioner for a certificate under subsection (1).

(3) An application under subsection (2) shall -

(a) be made by sending a notice in the specified form to the Commissioner; and

(b) be accompanied by such fee as may be determined by the

Financial Secretary by notice in the Gazette.

(4) The Commissioner shall comply with an application under subsection (2).”.

3. Time for making distress

Section 86 is amended by repealing “sunrise and before sunset” and substituting “9 a.m. and before 5 p.m.”.

4. Case of deserted premises, where no distress left

Section 101(1) is amended by repealing “\$30,000” and substituting “\$100,000”.

5. Fraudulent removal of property by tenant

Section 111 is amended by repealing “deemed to be”.

6. Power to amend Schedules

Section 114 is amended by repealing “Governor” and substituting “Secretary for Housing”.

7. Determining the nature of a tenancy

Section 115A(5) (b) is amended by adding “by notice in the Gazette” after “Secretary”.

8. Application of this Part

Section 116 (4A) is amended -

- (a) by adding “in the specified form and” after “shall be”;
- (b) by adding “by notice in the Gazette” after “Secretary”.

9. Continuation of tenancies and grant of new tenancies

Section 117 is amended by adding -

“(3) In the absence of any express covenant for the payment of rent and condition for forfeiture, there shall be implied in every tenancy a covenant to pay the rent on the due date and a condition for forfeiture for non-payment within 15 days of the due date.”.

10. Termination of tenancy by the landlord

Section 119 is amended -

- (a) in subsection (2), by repealing “7 nor less than 6” and substituting “4 nor less than 3”;
- (b) in subsection (4), by repealing “2 months” and substituting “1 month”.

11. Tenant’s request for a new tenancy

Section 119A is amended -

- (a) in subsection (2), by repealing “7 nor less than 6” and substituting “4 nor less than 3”;
- (b) in subsection (6), by repealing “2 months” and substituting “1 month”.

12. Section added

The following is added -

“119AA. Request to Commissioner for tenancy information

(1) Where -

- (a) a landlord has given notice under section 119 to terminate a tenancy; or
- (b) a tenant has made a request under section 119A for a new tenancy,

then, in either case, the landlord or tenant concerned may, upon payment of such fee as may be determined by the Financial Secretary by notice in the Gazette, make an application in the specified form to the Commissioner to be supplied with tenancy information in relation to premises of the kind comprised in the tenancy.

(2) The Commissioner shall comply with an application under subsection (1).

(3) In this section -

“tenancy information” (租賃資料) ,in relation to any premises, includes -

- (a) the address, age and size of;
- (b) the rent payable for; and
- (c) the terms (including commencement date) of any tenancy in respect of, any other premises which are comparable, so far as is practicable, to the first-mentioned premises.”.

13. Renewal of tenancies by agreement

Section 119C(2) is repealed and the following substituted -

“(2) Where the landlord and tenant agree for the grant to the tenant of a future tenancy but are unable to agree -

- (a) only on the rent payable; or
- (b) the terms of the future tenancy (which may include the rent payable),

then -

- (i) where paragraph (a) is applicable, the parties may refer the rent for determination under section 119K and that section shall apply accordingly (except that the tenant may, within 1 month of the determination, serve a notice on the landlord declining to accept the future tenancy, in which case the current tenancy shall continue for such period, not exceeding 2 months from the date of delivery of the notice to the landlord, as the tenant shall state in the notice);
- (ii) where paragraph (b) is applicable, the parties may refer the terms for determination by the Tribunal which, in determining those terms, shall have regard to the terms of the current tenancy and to all relevant circumstances (except that the tenant may, within 1 month of the determination, serve a notice on the landlord declining to accept the future tenancy, in which case the current tenancy shall continue for such period, not exceeding 2 months from the date of delivery of the

notice to the landlord, as the tenant shall state in the notice).”.

14. Order by Tribunal for grant of a new tenancy

Section 119D is amended -

(a) in subsection (2), by repealing “Where” and substituting “Subject to subsection (4), where”;

(b) in subsection (3) -

(i) in paragraph (a) -

(A) by repealing “No” and substituting “Subject to subsection (4), no”;

(B) in subparagraph (i), by repealing “2 months” and substituting “1 month”;

(C) by repealing subparagraph (ii);

(ii) by repealing paragraph (b);

(c) by adding -

“(4) The Tribunal may for good cause entertain an application under section 117(1) notwithstanding that subsection (2) or (3) has not been complied with in respect of the application.”.

15. Opposition by landlord to application for new tenancy

Section 119E(1) is amended by repealing “such of the following grounds as may be” and substituting “any of the following grounds, whether or not they were”.

**16. Additional provisions regarding opposition
on ground of intention to rebuild**

Section 119F is amended -

(a) in subsection (2) (a), by adding “and other accommodation” after
“dwellings” where it twice appears;

(b) in subsection (4) -

(i) by repealing paragraph (b) and substituting -

“(b) Where any part of premises (including all the premises)

is let or sublet, compensation payable under this

subsection to the tenant or sub-tenant shall be calculated

on the same basis as is specified in paragraph (a) as if

any reference in that paragraph to “premises” were a

reference to that part of the premises which -

(i) in the case of the tenant, is the subject of the

tenancy and not the subject of the sub-tenancy;

(ii) in the case of the sub-tenant, is the

subject of the sub-tenancy and not the subject of any other sub-tenancy.”;

(ii) in paragraph (c) -

(A) by repealing “premises or any part of premises is” and substituting “any part of premises (including all the premises) is let or”;

(B) by adding “tenant or” before “sub-tenant” where it twice appears;

(C) by adding “, and to specify what amount of the rateable value of the premises is attributable to that part,” before “and such”;

(iii) in paragraph (d) -

(A) in the definition of “rateable value”, by adding “(and without prejudice to the operation of paragraph (g))” after “means”;

(B) by adding -

““premises” (處所) means the subject matter of a tenancy (but without prejudice to the operation of paragraph (b));”;

(iv) by adding -

“(g) Where -

(i) any part of premises (including all the premises) is let or sublet; or

(ii) a tenancy is of premises consisting of 2 or more dwellings,

then the rateable value or values, as the case requires, of the premises may be determined by the apportionment (where subparagraph (i) is applicable) or aggregation (where subparagraph (ii) is applicable) of the rateable value or values concerned, or any combination thereof.”;

(c) in subsection (5), by adding -

“(ba) In paragraph (b) (ii) (and without prejudice to the operation of paragraph (b) (i)), “premises” (處所) means the premises -

(i) the subject of successful opposition to the grant of a new tenancy on the ground mentioned in paragraph

(c) of section 119E(1); and

(ii) in the state they were at the time of such opposition.”.

17. Section added

The following is added -

“119FB. Certificate stating rateable value and compensation payable under section 119F(4) in respect of premises

- (1) A person may apply to the Commissioner for a certificate stating -
 - (a) the rateable value of any premises; and
 - (b) the compensation that would be payable under section 119F(4) if there were successful opposition to the grant of a new tenancy on the ground mentioned in paragraph (c) of section 119E(1).
- (2) An application under subsection (1) shall -
 - (a) be made by sending a notice in the specified form to the Commissioner;
and
 - (b) be accompanied by such fee as may be determined by the Financial Secretary by notice in the Gazette.
- (3) The Commissioner shall comply with an application under subsection (1).
- (4) For the purposes of this section -

“dwelling” (住宅) has the same meaning it is assigned in section 119F(6);

“premises” (處所) has the same meaning it is assigned in section 119F(4) (d);

“rateable value” (應課差餉租值) means (and without prejudice to the operation of

subsection (5)) -

(a) in the case of premises being a tenement that was -

(i) at the date of the opposition concerned under section 119E(1)

(c) stated in the application under subsection (1) concerned;

(ii) if no such date is so stated, at the date of the application under

subsection (1) concerned,

included in the valuation list in force under section 14 of the Rating

Ordinance (Cap. 116), the rateable value of those premises contained in

that list on that date (disregarding any amendment or alteration to that

list made after that date, even if retrospective);

(b) in any other case, the rateable value or values, as the case requires, that

would have been contained in that list on that date had the premises

been included in that list, a certificate signed by the Commissioner as

regards the premises for the purposes of this section being final and

binding as to such value or values.

(5) Where -

(a) any part of premises (including all the premises) is let or sublet; or

(b) a tenancy is of premises consisting of 2 or more dwellings, then the rateable value or values, as the case requires, of the premises may be determined by the apportionment (where paragraph (a) is applicable) or aggregation (where paragraph (b) is applicable) of the rateable value or values concerned, or any combination thereof.”.

18. Penalties

Section 119H is amended -

- (a) in subsection (2) (a), by adding “by notice in the Gazette” after “determine”;
- (b) by repealing subsection (7).

19. Endorsement of tenancy agreement

Section 119L(1A) (b) is amended by repealing “a fee of \$500” and substituting “such fee as may be determined by the Financial Secretary by notice in the Gazette”.

20. Interim continuation of tenancies pending determination by Tribunal

Section 119N is amended by adding -

“(3) During the period from the date on which a tenancy referred to in subsection (1) would, but for that subsection as read with subsection (2), have come to an end until the termination of the tenancy at the expiration of the period of 3 months referred to in subsection (1), the tenant shall be liable to pay the rent -

- (a) agreed between the landlord and tenant; or

- (b) in default of such agreement, as determined by the Tribunal, or by a valuation surveyor appointed by the Tribunal, to be a prevailing market rent.

(4) Section 119K(2) and (3) shall, with all necessary modifications, apply to and in relation to subsection (3) as it applies to and in relation to section 119K(1).”.

21. Sub-tenancies

Section 119P(5) (b) and (6) is amended by adding “made” after “had been”.

22. Proceedings

Section 119S is amended -

- (a) in subsection (2), by repealing “51(8)” and substituting “115A(10)”;
- (b) by repealing subsection (3).

23. Exercise of powers of Commissioner

Section 119T is amended by adding -

“(1A) The Commissioner may disclose any information obtained under this Part to any specified person where in his opinion the disclosure will enable or assist the person to perform a function or exercise a power (including a right) imposed or conferred on the person by -

- (a) this Ordinance;
- (b) the Rating Ordinance (Cap. 116); or

- (c) the Government Rent (Assessment and Collection) Ordinance (Cap. 515).

(1B) In subsection (1A), “specified person” (指明人士) means -

- (a) the Tribunal or a court or magistrate;
- (b) a public officer acting in his capacity as a public officer; or
- (c) a landlord or tenant acting in his capacity as a landlord or tenant, as the case may be, under section 119AA.”.

24. Section added

The following is added -

“119TA. Use of returned requisition as evidence

(1) A returned requisition shall in any proceedings before the Tribunal, a magistrate, the District Court or the Court of Appeal be admissible as evidence of the facts stated in the returned requisition; and any document purporting to be a returned requisition shall in any such proceedings be presumed, unless the contrary is shown -

- (a) to be such a returned requisition;
- (b) to have been made by the person by whom it purports to have been made; and
- (c) if it purports to have been made by a person in a capacity specified in the returned requisition, to have been made by him in that capacity.

- (2) In subsection (1), “returned requisition” (已交回的申報表) means either -
- (a) a notice under section 119L(1) lodged with the Commissioner; or
 - (b) a requisition -
 - (i) served under section 119T(1) (a) on a person;
 - (ii) served under section 5(1) (a) of the Rating Ordinance (Cap. 116) on the owner or occupier of a tenement; or
 - (iii) served under section 31(1) (a) of the Government Rent (Assessment and Collection) Ordinance (Cap. 515) on the lessee of an applicable lease or the owner or occupier of a tenement,
- and returned by him to the Commissioner containing or purporting to contain all or any of the particulars required to be given by him to the Commissioner.”.

25. Section substituted

Section 119V is repealed and the following substituted -

“119V. Harassment

- (1) Any person who unlawfully deprives a tenant or subtenant of occupation of any premises commits an offence and is liable on conviction on indictment by the court -
- (a) on a first conviction, to a fine of \$500,000 and to imprisonment for 12 months;

(b) on a second or subsequent conviction, to a fine of \$1,000,000 and to imprisonment for 3 years.

(2) Subject to subsection (3), any person who, in relation to any premises -

(a) either -

(i) does any act calculated to interfere with the peace or comfort of the tenant or sub-tenant or members of his household; or

(ii) persistently withdraws or withholds services reasonably required for occupation of the premises as a dwelling; and

(b) knows, or has reasonable cause to believe, that that conduct is likely to cause the tenant or sub-tenant -

(i) to give up occupation of the premises; or

(ii) to refrain from exercising any right or pursuing any remedy in respect of the premises,

commits an offence and is liable on conviction on indictment by the court -

(i) on a first conviction, to a fine of \$500,000 and to imprisonment for 12 months;

(ii) on a second or subsequent conviction, to a fine of \$1,000,000 and to imprisonment for 3 years.

(3) A person does not commit an offence under subsection (2) if he proves that he had reasonable grounds for doing the act, or withdrawing or withholding the services, concerned.

(4) Where a person is convicted of an offence under subsection (1) or (2), the court, in addition to passing sentence, may order the person convicted to -

(a) pay to the tenant or sub-tenant such sum as it thinks fit by way of compensation for damage, loss or inconvenience suffered by the tenant or sub-tenant by reason of the conduct constituting the offence;

(b) forfeit to the Government a sum not exceeding the equivalent of the difference at the date of the contravention between the market value of the premises with vacant possession and the market value of the premises with the former tenant or sub-tenant in possession.

(5) In this section -

“premises” (處所) includes part of any premises.”.

26. Interpretation

Section 120A is amended by repealing the definitions of “business premises”, “current rent”, “domestic premises” and “prevailing market rent”.

27. Application

Section 121 is amended -

- (a) by repealing subsection (4) and substituting -

“(4) A dispute as to whether a tenancy is excluded under subsection (3) shall be determined by the Commissioner in a summary manner on application in writing to him and the Commissioner shall cause notice of the determination to be served on the person who made the application.”;

- (b) by adding -

“(6) Any person aggrieved by a determination under subsection (4) may, within 1 month of the service of the notice of the determination, appeal to the Tribunal against the determination and the Tribunal may make such order thereon as it thinks fit.”.

28. Minimum length of notice to determine tenancy

Section 122 is amended -

- (a) in subsections (2) and (3), by repealing”, subject to sections 124A to 124C,”;
- (b) by repealing subsection (4) and substituting -

“(4) When but for subsection (1) a tenancy would have terminated, the tenancy shall continue at the same rent until a notice of termination expires upon such of the covenants, conditions and other terms of the

original tenancy as are appropriate to a month to month tenancy, together with, in the absence of any express covenant for the payment of rent and condition of forfeiture, the covenant and condition implied in every tenancy by section 126.”.

29. Sections repealed

Sections 124A, 124B and 124C are repealed.

30. Tribunal may determine disputes

Section 127A(b) is repealed.

31. Certificate as to rateable value

Section 128A is amended -

(a) by renumbering it as section 128A(1);

(b) by adding -

“(2) A person may apply to the Commissioner for a certificate under subsection (1).

(3) An application under subsection (2) shall -

(a) be made by sending a notice in the specified form to the Commissioner; and

(b) be accompanied by such fee as may be determined by the

Financial Secretary by notice in the Gazette.

(4) The Commissioner shall comply with an application under subsection (2).”.

32. Summoning of tenant of premises with a rateable value not exceeding \$100,000 unlawfully holding over

Section 129 is amended by repealing “\$30,000” and substituting “\$100,000”.

33. Recovery of land in case of illegal encroachment or inclosure with a rateable value not exceeding \$100,000

Section 132 is amended by repealing “\$30,000” and substituting “\$100,000”.

34. Section added

The following is added -

“144. Provisions transitional, etc. to the enactment of the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1999

(1) A person may apply to the Commissioner for a certificate under section 50(10) or 53A(4) (d) as in force before the expiry of Part II.

(2) An application under subsection (1) shall -

(a) be made by sending a notice in the specified form to the Commissioner;

and

(b) be accompanied by such fee as may be determined by the Financial Secretary by notice in the Gazette.

(3) The Commissioner shall comply with an application under subsection (1).

(4) Section 119 shall apply to a notice given under that section before the commencement of section 10 of the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1999 (of 1999) as if that section 10 had never commenced.

(5) Section 119A shall apply to a request for a new tenancy in accordance with that section made before the commencement of section 11 of the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1999 (of 1999) as if that section 11 had never commenced.

(6) Section 119F(4) -

(a) as amended by the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1999 (of 1999) shall apply in the case of a landlord who opposes, in accordance with rule 69 of the Lands Tribunal Rules (Cap. 17 sub. leg.), the grant of a new tenancy on or after the commencement of section 16(b) of that Ordinance;

(b) as in force before that commencement shall apply in the case of a landlord who so opposes the grant of a new tenancy before that commencement.

(7) Notwithstanding section 74B as in force before the expiry of Part II, section 119F(4) -

- (a) as amended by the Landlord and Tenant (Consolidation) (Amendment) Ordinance 1999 (of 1999) shall apply in the case of a landlord who has applied, in accordance with rule 68 of the Lands Tribunal Rules (Cap. 17 sub. leg.), for an order for possession of premises on the ground specified in section 53(2) (c), as in force before that expiry, on or after the commencement of section 16(b) of that Ordinance;
- (b) as in force before that commencement shall apply in the case of a landlord who so applies for an order for possession of premises on the ground specified in section 53(2) (c), as in force before that expiry, before that commencement.

(8) For the avoidance of doubt, it is hereby declared that, subject to the other provisions of this section, section 23 of the Interpretation and General Clauses Ordinance (Cap. 1) applies to the expiry of any Part of this Ordinance (including the expiry of any provision or provisions of any such Part) as it applies to the repeal in whole or in part of any Ordinance.”.

35. Consequential and other amendments

The enactments specified in the Schedule are amended as set out in the Schedule.

SCHEDULE

[s. 35]

CONSEQUENTIAL AND OTHER AMENDMENTS

Lands Tribunal Ordinance

1. Jurisdiction of the Tribunal

Section 8 of the Lands Tribunal Ordinance (Cap. 17) is amended -

- (a) in subsection (7), by adding “(including surrender under the former section 52A, or under section 117, of that Ordinance)” after “surrender”;
- (b) in subsection (8) -
 - (i) by repealing “and for” and substituting “for”;
 - (ii) by adding”, and for the disposal of any property left in the premises concerned by the tenant or sub-tenant” after “sub-tenancy”.

2. Practice and procedure of Tribunal

Section 10(2) is amended -

- (a) in paragraph (c), by repealing “and” at the end;
- (b) in paragraph (d) -

(i) by repealing subparagraph (i) and substituting -

“(i) for the giving of any notice (and whether or not the notice relates to any proceedings);”;

(ii) in subparagraph (ii), by repealing “or” at the end;

(iii) in subparagraph (iii), by repealing the full stop and substituting”;
and”;

(c) by adding -

“(e) for good cause, abridge any period specified in section 119(2), 119A(2) or 119D(3) (a) (i) of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).”.

3. Review of decision

Section 11A is amended by adding -

“(5) The Tribunal shall not exercise its power of review in respect of a decision -

(a) subject to subsection (6), if the decision has already been the subject of a review or the decision is a decision setting aside, reversing, varying or confirming under this section another decision of the Tribunal; or

(b) subsequent to the commencement of proceedings by any party with a view to questioning the decision, by way of appeal or otherwise, unless such proceedings have been abandoned.

(6) Subsection (5) (a) shall not apply in the case of a decision of the Tribunal under the former section 4(7) (a) or 53A(2), or under section 119F(2), of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).”.

Lands Tribunal Rules

4. Subheading amended

The Lands Tribunal Rules (Cap. 17 sub. leg.) are amended, in the subheading before rule 74, by repealing “**(Part II)**” and substituting “**(Parts II and V)**”.

5. Notice of appeal

Rule 74 is amended by adding -

“(3A) Proceedings under section 121 (6) of the Ordinance shall be commenced by the appellant filing with the Registrar a notice of appeal substantially in conformity with Form 36.”.

6. Forms

The Schedule is amended by adding -

"FORM 36

[r. 74 (3A)]

NOTICE OF APPEAL TO LANDS TRIBUNAL AGAINST DETERMINATION
OF COMMISSIONER OF RATING AND VALUATION ON WHETHER A
TENANCY IS EXCLUDED FROM PART V OF THE LANDLORD
AND TENANT (CONSOLIDATION) ORDINANCE

Pursuant to section 121 (6)

Name, address and status of appellant:

Name, address and status of respondent:

The appellant hereby appeals against the determination of the Commissioner of Rating and Valuation upon an application pursuant to section 121 (4) to determine whether a tenancy is excluded from Part V under section 121 (3). The tenancy concerned is in respect of the premises known as

.....
(description of premises)

A copy of the notice issued by the Commissioner of Rating and Valuation setting out the determination appealed against is attached.

The grounds of appeal are: (here state briefly the grounds of appeal)

The appellant also applies for an order for costs.

Address for the service of the appellant:

Dated this day of 20

.....
(to be signed by or on behalf
of the Appellant)

- To: 1. The Registrar, Lands Tribunal.
2. The Respondent.3. Commissioner of Rating and Valuation.
4. (Please and such other persons as may be required to be served)

Note: If you intend to oppose this appeal, you must personally attend at the Lands Tribunal Registry within 14 days of the day of service of this notice, and file a notice of opposition by means of Form 7.”.

Rating Ordinance

7. General powers of Commissioner

Section 5 of the Rating Ordinance (Cap. 116) is amended by adding -

“(1A) The Commissioner may disclose any information obtained under this Ordinance to any specified person where in his opinion the disclosure will enable or assist the

person to perform a function or exercise a power (including a right) imposed or conferred on the person by -

- (a) this Ordinance;
- (b) the Landlord and Tenant (Consolidation) Ordinance (Cap. 7); or
- (c) the Government Rent (Assessment and Collection) Ordinance (Cap. 515).

(1B) In subsection (1A), “specified person” (指明人士) means -

- (a) the Lands Tribunal established under the Lands Tribunal Ordinance (Cap. 17) or a court or magistrate;
- (b) a public officer acting in his capacity as a public officer; or
- (c) a landlord or tenant acting in his capacity as a landlord or tenant, as the case may be, under section 119AA of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).”.

8. Use of returned requisition as evidence

Section 6A(2) is repealed and the following substituted -

“(2) In subsection (1), “returned requisition” (已交回的申報表) means -

- (a) a requisition served under section 5(1) (a) on the owner or occupier of a tenement;
- (b) a notice lodged with the Commissioner under section 119L(1), or a requisition served on a

person under section 119T(1) (a), of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7); or

(c) a requisition served under section 31(1) (a) of the Government Rent (Assessment and Collection) Ordinance (Cap. 515) on the lessee of an applicable lease or the owner or occupier of a tenement,

and returned by him to the Commissioner containing or purporting to contain all or any of the particulars required to be given by him to the Commissioner.”.

**District Court Civil Procedure
(General) Rules**

9. Procedure for framing issues

Rule 26(1) (f) of the District Court Civil Procedure (General) Rules (Cap. 336 sub. leg.) is amended by repealing “a tenancy tribunal established under Part I of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7)” and substituting “the Lands Tribunal established under the Lands Tribunal Ordinance (Cap. 17)”.

**District Court Civil Procedure
(Forms) Rules**

10. First Schedule amended

The First Schedule to the District Court Civil Procedure (Forms) Rules (Cap. 336 sub. leg.) is amended by repealing -

“Appeal under section 43 of
the Landlord and Tenant
(Consolidation) Ordinance
(Cap. 7).

Notice of Motion.”.

Government Rent (Assessment and Collection) Ordinance

11. General powers of Commissioner

Section 31 of the Government Rent (Assessment and Collection) Ordinance (Cap. 515)
is amended by adding -

“(1A) The Commissioner may disclose any information obtained under this
Ordinance to any specified person where in his opinion the disclosure will enable or
assist the person to perform a function or exercise a power (including a right) imposed
or conferred on the person by -

- (a) this Ordinance;
- (b) the Landlord and Tenant (Consolidation) Ordinance (Cap. 7); or
- (c) the Rating Ordinance (Cap. 116).

(1B) In subsection (1A), “specified person” (指明人士) means -

- (a) the Lands Tribunal established under the Lands Tribunal Ordinance (Cap.
17) or a court or magistrate;
- (b) a public officer acting in his capacity as a public officer; or
- (c) a landlord or tenant acting in his capacity as a landlord or tenant, as the
case may be,

under section 119AA of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7).”.

12. Use of returned requisition as evidence

Section 39 is amended -

(a) by renumbering it as section 39(1);

(b) by adding -

“(2) In subsection (1), “returned requisition” (已交回的申報表) includes, in addition to a returned requisition within the meaning of section 2 -

(a) a notice lodged with the Commissioner under section 119L (1), or a requisition served on a person under section 119T (1) (a), of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7); or

(b) a requisition served under section 5(1) (a) of the Rating Ordinance (Cap. 116) on the owner or occupier of a tenement,

and returned by him to the Commissioner containing or purporting to contain all or any of the particulars required to be given by him to the Commissioner.”.

**Hop Yat Church of The Church of Christ
in China Incorporation Ordinance**

13. Power of Corporation

Section 4(j) of the Hop Yat Church of The Church of Christ in China Incorporation Ordinance (Cap. 1027) is amended by repealing “apply for and obtain exclusion orders under Part I of the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) and to agree and pay such compensation as the Tenancy Tribunal” and substituting “make applications and obtain orders under the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) and to agree and pay such compensation as the Tribunal within the meaning of that Ordinance”.

**The Methodist Church, Hong Kong,
Incorporation Ordinance**

14. Powers of the Corporation

Section 4(i) of The Methodist Church, Hong Kong, Incorporation Ordinance (Cap. 1133) is amended by repealing “apply for and obtain exclusion orders under the Landlord and Tenant (Consolidation) Ordinance (Cap. 7), and to agree and pay such compensation as a tenancy tribunal” and substituting “make applications and obtain orders under the Landlord and Tenant (Consolidation) Ordinance (Cap. 7), and to agree and pay such compensation as the Tribunal within the meaning of that Ordinance”.

Explanatory Memorandum

The object of this Bill is to amend the Landlord and Tenant (Consolidation) Ordinance (Cap. 7) (“the Ordinance”) to -

- (a) enable fees to be charged for the issue by the Commissioner of Rating and Valuation (“the Commissioner”) of certain certificates (clauses 2 and 31 and new section 144(1), (2) and (3) at clause 34);
- (b) remove archaic terminology (clauses 3 and 5);
- (c) increase from \$30,000 to \$100,000 the rateable value ceiling of premises which may be repossessed by means of streamlined procedures (clauses 4, 32 and 33);
- (d) transfer from the Chief Executive to the Secretary for Housing the power to amend the Fourth and Fifth Schedules (clause 6);
- (e) make it clear that the Financial Secretary’s power to determine fees is by notice in the Gazette (clauses 7, 8(b) and 18(a));
- (f) require an application under section 116(4A) to be “in the specified form” (clause 8(a));
- (g) imply in every tenancy to which Part IV of the Ordinance applies a covenant to pay the rent on the due date and a condition for forfeiture for nonpayment within 15 days of the due date (clause 9);
- (h) reduce statutory periods within which service of notices to terminate a tenancy or to request a new tenancy may be made (clauses 10 and 11);

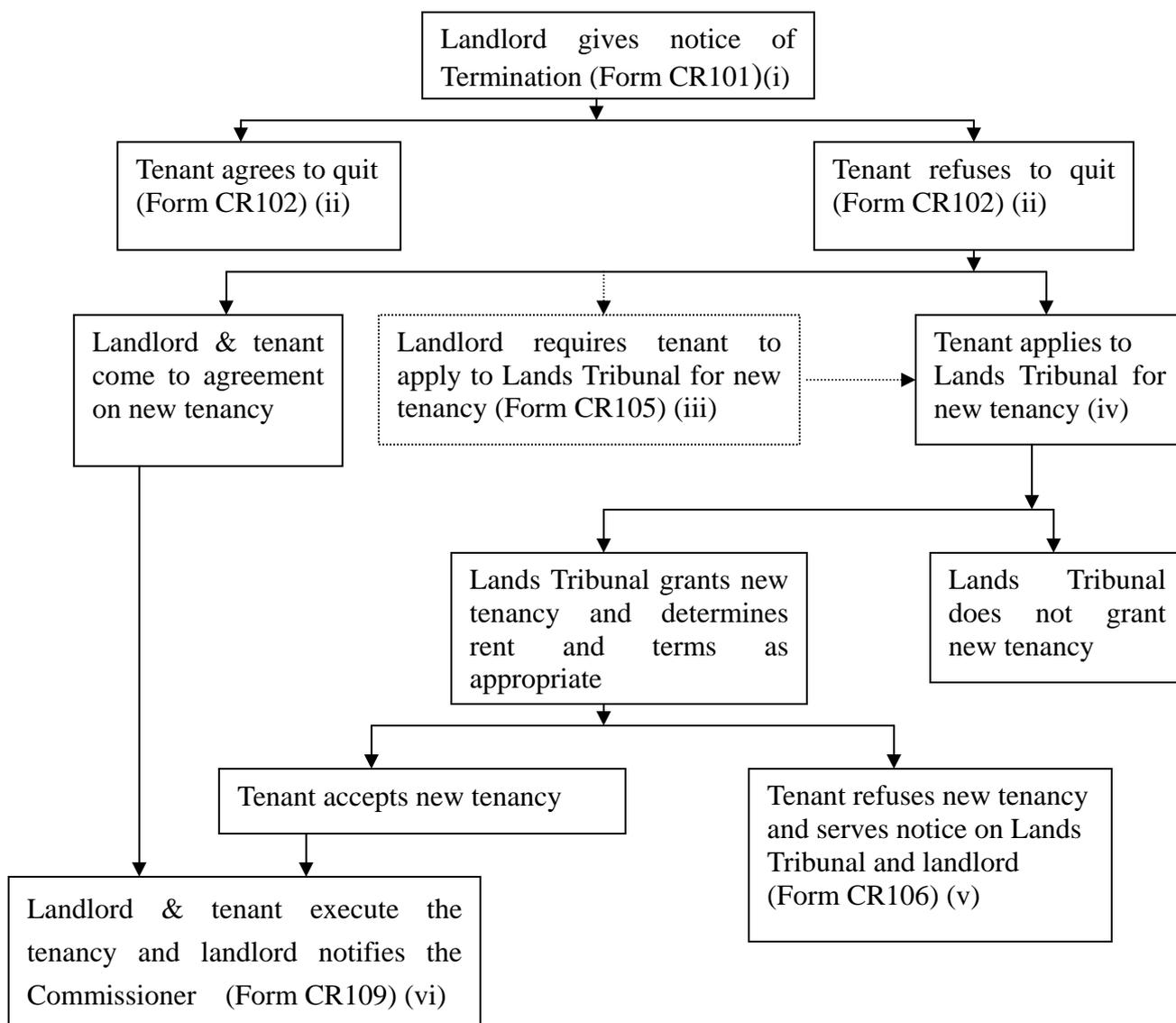
- (i) empower the Commissioner to provide tenancy information to landlords terminating tenancies and to tenants seeking new tenancies (clause 12);
- (j) empower the Lands Tribunal (“the Tribunal”) to determine the terms of a future tenancy where the landlord and tenant are unable to agree the terms of the tenancy (clause 13);
- (k) empower the Tribunal to entertain an application for a new tenancy under section 117(1) for a new tenancy notwithstanding that the application does not comply with section 119D(2) or (3) (clause 14);
- (l) empower a landlord to oppose an application for a new tenancy under section 117(1) on grounds specified in section 119E(1) notwithstanding that he has not stated those grounds in his notice under section 119 or 119A(6) (clause 15);
- (m) where the Tribunal has granted an order for possession for redevelopment, require the developer to comply with the plans for redevelopment lodged with the Tribunal whether or not the new building will be for domestic use (clause 16(a));
- (n) amend the provisions of section 119F(4) specifying the compensation payable to affected tenants and sub-tenants where premises are to be rebuilt (clause 16(b));
- (o) clarify what the term “premises” means in section 119F(5) (b), in particular where there has been a

breach of a redevelopment condition and the “old” premises have been demolished (clause 16(c));

- (p) introduce a new section to empower the Commissioner to issue certificates stating the rateable value of premises and the compensation that would be payable to tenants under section 119F(4) (at clause 16(b)) if the Tribunal were to grant certain orders (new section 119FB at clause 17);
- (q) repeal provisions to ensure consistency with the human rights provisions of the Basic Law (clause 18(b));
- (r) introduce into section 119N a provision based on section 119M(4) to provide for the calculation of the rent to be paid for the 3 months’ interim period specified in section 119N at the end of which a tenancy will terminate (clause 20);
- (s) make minor drafting revisions to sections 119P(5) (b) and (6) and 119S (clauses 21 and 22);
- (t) clarify the Commissioner’s power to disclose information obtained under the Ordinance where such disclosure will enable or assist a specified person (including the Tribunal) to perform a function or exercise a power under the Ordinance, the Rating Ordinance (Cap. 116) or the Government Rent (Assessment and Collection) Ordinance (Cap. 515) (clause 23). Similar disclosure provisions are added to the Rating Ordinance (Cap. 116) and the Government Rent (Assessment and Collection)

- Ordinance (Cap. 515) (sections 7 and 11 in the Schedule to the Bill);
- (u) introduce evidentiary provisions in relation to certain requisitions returned to the Commissioner under the Ordinance, the Rating Ordinance (Cap. 116) or the Government Rent (Assessment and Collection) Ordinance (Cap. 515) (clause 24 and sections 8 and 12 in the Schedule to the Bill);
 - (v) repeal and replace provisions dealing with the harassment of tenants (whether by landlords or others) to better ensure that there is no interference with the right of tenants to the peaceable occupation of their premises (new section 119V at clause 25);
 - (w) repeal provisions in order that all tenancies in business premises will be treated the same in Part V of the Ordinance in respect of notices of termination (clauses 26, 28, 29 and 30);
 - (x) provide for an appeal to the Tribunal against the Commissioner's decision as to whether or not a tenancy is excluded under section 121(3) (clause 27);
 - (y) provide for transitional provisions (new section 144(4) to (7) at clause 34);
and
 - (z) make consequential amendments to the Lands Tribunal Ordinance (Cap. 17) and the Lands Tribunal Rules (Cap. 17 sub. leg.) (sections 1 to 6 of the Schedule to the Bill).

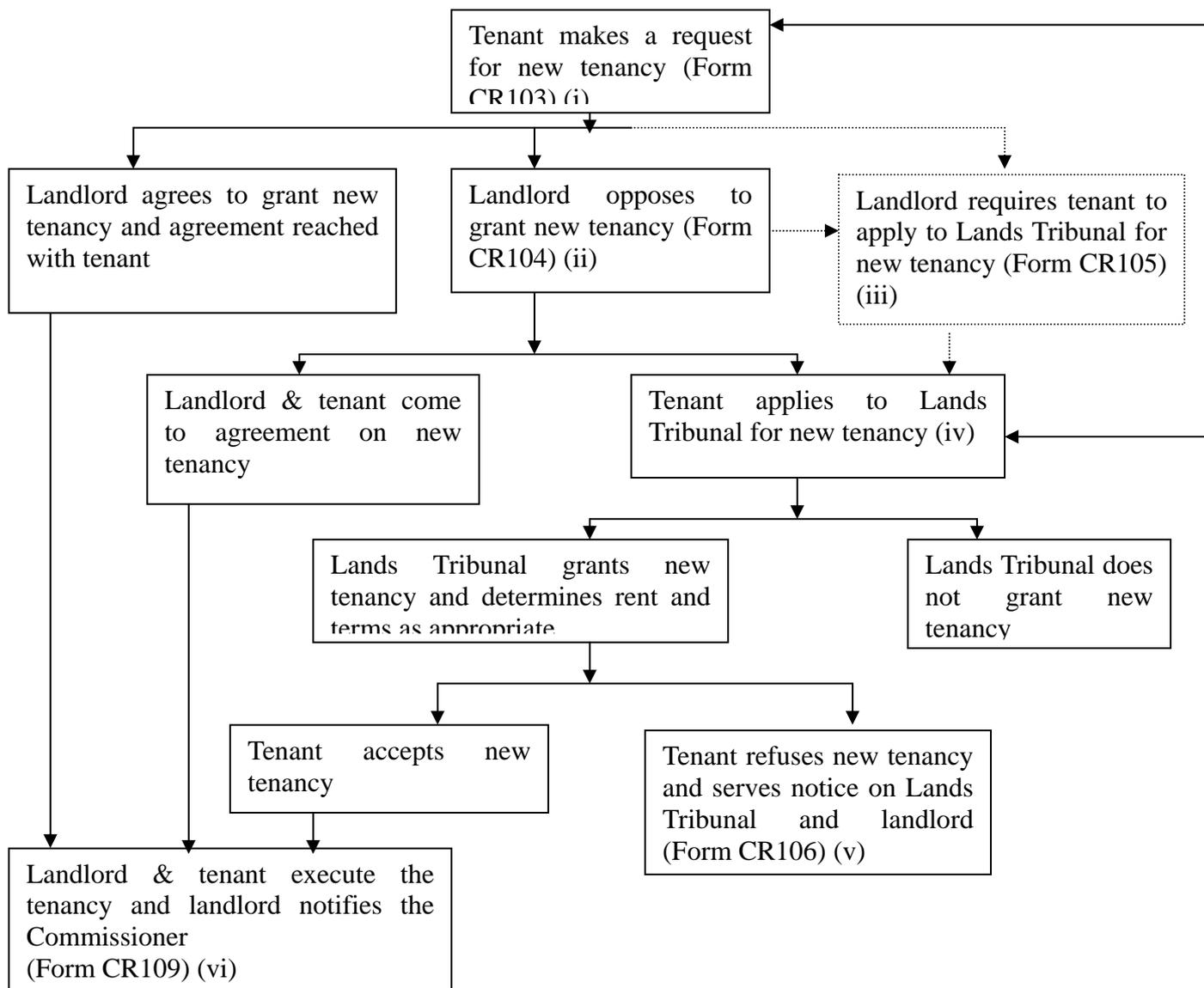
Renewal of Tenancies under Part IV of LTO – Action Initiated by Landlord



Notes :

- | <u>Existing</u> | <u>Proposed</u> |
|---|---|
| (i) To serve not more than 7 nor less than 6 months before the date of termination of tenancy specified in the notice. | Not more than 4 nor less than 3 months. |
| (ii) To serve within 2 months of receiving Form CR101. | Within 1 month. |
| (iii) To serve no sooner than 2 months after the date of Form CR101. | Form CR105 removed |
| (iv) To apply within 2 months from the date of Form CR105 or before the date of CR101 termination stated in Form CR101, whichever is the earlier. | To apply after 1 month of receiving Form CR 101 and before date of termination stated in this Form. |
| (v) To serve within 1 month after the determination. | No change. |
| (vi) To serve within 1 month of execution. | No change. |

Renewal of Tenancies under Part IV of LTO – Action Initiated by Tenant



Notes :

Existing

Proposed

- (vi) To request a new tenancy commencing not more than 7 nor less than 6 months after the making of the request.
- (vii) To serve within 2 months of receiving Form CR103.
- (viii) To serve no sooner than 2 months after the date of Form CR103.
- (ix) To apply after 2 months of making the request; and within 2 months from the date of Form CR105 or before the date for the commencement of the new tenancy, whichever is the earlier.
- (x) To serve within 1 month after the determination.
- (vi) To serve within 1 month of execution.

- Not more than 4 nor less than 3 months.
- Within 1 month.
- Form CR105 removed
- To apply after 1 month of making the request and before the date of commencement of the new tenancy.
- No change.
- No change.

Comparison of Compensations for Premises Let in Parts under Existing and Proposed Methods of Calculation

For a flat with a RV of \$96,000 (monthly rent of \$8,000), the existing statutory compensation will be \$456,000, as calculated below -

$$\$456,000 = \$30,000 \times 7 + \$30,000 \times 5 + \$30,000 \times 3 + \$6,000 \times 1$$

If the above flat is let in 4 parts with the following apportioned RVs, redevelopment compensations under the existing and proposed methods of calculation will be -

<u>Part</u>	<u>RV</u> (\$)	<u>Monthly Rent</u> (\$)	<u>Existing Compensation</u> (\$) ⁽ⁱ⁾	<u>Proposed Compensation</u> (\$) ⁽ⁱⁱ⁾	<u>Increase</u> (%)
A	12,000	1,000	57,000	84,000	(+47%)
B	18,000	1,500	85,500	126,000	(+47%)
C	30,000	2,500	142,500	210,000	(+47%)
<u>D</u>	<u>36,000</u>	<u>3,000</u>	<u>171,000</u>	<u>240,000</u>	<u>(+40%)</u>
Total	96,000	8,000	456,000	660,000	(+45%)

Notes :

- (i) Existing method of calculation is based on apportionment of the compensation as follows –

Part A	$\$12,000 \div \$96,000 \times \$456,000 = \$57,000$
Part B	$\$18,000 \div \$96,000 \times \$456,000 = \$85,500$
Part C	$\$30,000 \div \$96,000 \times \$456,000 = \$142,500$
Part D	$\$36,000 \div \$96,000 \times \$456,000 = \$171,000$

- (ii) Proposed method of calculation is based on apportionment of the RV as follows –

Part A	$\$12,000 \times 7 = \$84,000$
Part B	$\$18,000 \times 7 = \$126,000$
Part C	$\$30,000 \times 7 = \$210,000$
Part D	$\$30,000 \times 7 + \$6,000 \times 5 = \$240,000$