

## **LEGISLATIVE COUNCIL BRIEF**

Building Management Ordinance  
(Chapter 344)

### **BUILDING MANAGEMENT (AMENDMENT) BILL 2000**

#### **INTRODUCTION**

A At the meeting of the Executive Council on 11 January 2000, the Council ADVISED and the Chief Executive ORDERED that the Building Management (Amendment) Bill 2000 (at Annex A) should be introduced into the Legislative Council to implement the relevant recommendations in the 1998 public consultation document on “Proposals to improve fire safety in private buildings” and to rectify certain deficiencies in the Building Management Ordinance (the Ordinance).

#### **BACKGROUND AND ARGUMENT**

2. The Executive Council was informed on 29 September 1998 of the results of the above-mentioned public consultation. We undertook to formulate detailed measures to bring the proposals into fruition. This Bill aims at taking forward the following building management measures as proposed in the consultation document -

- (a) specification of building management and maintenance standards for compliance by owners’ corporations (OCs);
- (b) mandatory management of buildings with serious management and maintenance problems; and
- (c) facilitating owners of new buildings to form OCs.

The Ordinance which provides for the formation of OCs and management of buildings, would need to be amended to incorporate these proposals.

## **The Proposals**

### **(A) Specific Management and Maintenance Standards**

3. Section 18(1) of the Ordinance provides for, inter alia, certain obligations of OCs in relation to the management and maintenance of a building's common parts but the Ordinance has not specified the standards of management and maintenance.

4. We **propose** to amend the Ordinance to empower the Secretary for Home Affairs (the Authority) to prepare, review and publish in the Gazette a Code of Practice on Building Management and Maintenance (the Code) for compliance by OCs. The Code will provide specific standards, in user-friendly layman's terms, for OCs to discharge their building management and maintenance duties. The Code refers to, but will not replace, the existing laws dealing with building safety, fire safety, gas installation, lift, electrical installations and slope safety in respect of the common parts of buildings. The Departments concerned will continue to enforce their respective Ordinances (e.g. Buildings Ordinance, Fire Services Ordinance) and there will not be any duplication of enforcement. Therefore, we do not propose any direct penalty against those OCs who have failed to comply with the Code. A copy of the draft Code is at Annex B. It was prepared after consultation with the relevant Departments. One of the aims of this Code is to provide for an objective basis for the Authority's evaluation of imposing mandatory management on buildings with serious management and maintenance problems.

B

### **(B) Mandatory Management of Buildings with Serious Management and Maintenance Problems**

5. In 1998, the Fire Services Department conducted a territory wide survey of private multi-storey buildings (totalling 27 148). Only 28% were rated satisfactory in terms of their fire service installations. The survey also revealed a close relationship between buildings with building management bodies (such as an OC or property management company) and fire and building safety. Out of 14 808 private buildings with building management bodies, only 21% had reported cases of fire hazards.

6. We **propose** to amend the Ordinance to confer the Authority a power to order the management committee (MC) of the OC of a problematic building, that is, a building with serious management and maintenance problems and without a manager, to employ a building management agent from a list specified by the Authority in the Gazette. The Code in paragraph 4

above will contain the objective criteria for the Authority to evaluate whether or not to issue the orders. In practice, the existing district Building Management Co-ordination Committees, which are inter-disciplinary committees, will be responsible for identifying such buildings and recommending them to the Authority for considering issuing the orders. If the MC fails to comply with the Authority's orders within the period specified without reasonable excuse, they will commit an offence which, upon conviction, carries a fine at Level 5 (maximum \$50,000). A daily fine of \$1,000 may also be imposed.

7. If the problematic building has no OC, Home Affairs Department will adopt administrative measures to encourage and assist the owners to form an OC under one of the existing provisions (Sections 3, 3A and 4 of the Ordinance). If the owners fail to form an OC, the Authority or an authorized officer may apply to the Lands Tribunal which may order an owner to appoint a building management agent from the same list specified by the Authority in the Gazette. The order may direct the agent's tenure and determine such terms and conditions as to remuneration and expenses which shall be payable by the owners to the agent. The mechanism to identify problematic buildings is the same as mentioned in paragraph 6 above.

8. The list of building management agents will be drawn up separately in consultation with the relevant Departments and professional bodies and will be published in the Gazette upon enactment of the Bill. The proposed criteria (at Annex C) for inclusion on the list are similar to those used by the Housing Department to determine its Approved List of Property Management Agents for public housing estates. The Authority shall review the list from time to time and shall have the power to amend it.

C

### **(C) Facilitating Formation of OCs in New Buildings**

9. Under the existing Ordinance, in order to form an OC, the owners have to first convene a meeting to appoint a management committee (MC) in one of the following manners -

- (a) in accordance with the deed of mutual covenant, if the deed of mutual covenant provides for the appointment of a MC [section 3(2)(a)];
- (b) by resolution of the owners of not less than 50% of the owners' shares if there is no deed of mutual covenant, or the deed of mutual covenant does not provide for the appointment [section 3(2)(b)];

- (c) by resolution passed by a majority of the votes of the owners voting either personally or by proxy at an owners' meeting convened under an order of the Authority having considered an application of the owners of not less than 30% of the shares (section 3A); or
- (d) by resolution passed by a majority of the votes of the owners voting either personally or by proxy at an owners' meeting convened under an order of the Lands Tribunal having considered an application of the owners of not less than 20% of the shares or application by the Authority (section 4).

The MC so appointed shall apply to the Land Registrar (LR) for registration of the OC. Members of a MC hold office for a term of two years but are eligible for re-appointment which takes place at an annual general meeting of the OC the quorum of which shall be not less than 10% of the owners.

10. While we will continue to encourage owners of **existing** buildings to form OCs under the provisions of section 3, 3A or 4 as mentioned above, we **propose** to amend the Ordinance to simplify the manner for owners of **new** buildings to convene meetings to appoint MCs. We **propose** that the quorum of such meetings shall be not less than 10% of the owners, the same as the quorum for re-appointment of MCs of existing OCs. A MC may be appointed by a resolution passed by a majority of the owners voting either personally or by proxy. When a MC is appointed, it shall apply to the LR for registration of the OC.

### **Deficiencies in the Ordinance**

11. There are certain deficiencies in the Ordinance which require amendments and these are described in the following paragraphs.

#### **(A) Insurance**

12. Many OCs do not have insurance to cover third party liability in respect of their buildings' common parts. The case of Sun Hing Building in which the OC was ordered by the court to pay about \$20 million compensation to a worker injured while carrying out repairs in the building has aroused considerable public concern.

13. We **propose** to amend the Ordinance to require OCs to take third party insurance in respect of the building including the common parts. The requirements of the insurance (e.g. scope of coverage, minimum level of indemnity, qualifications of insurers) will be provided in a Regulation to be made by this Council under the Ordinance separately. If an OC fails to comply with the mandatory insurance requirement without reasonable excuse, it will commit an offence which, on conviction, carries a fine at Level 5 (maximum \$50,000). The operative date of this provision will be published in the Gazette on a future date (upon making of the Regulation).

**(B) Auditing of OC's Accounts**

14. At present, an OC's accounts can be audited by a professional accountant or such other person approved by the OC by a resolution passed at a general meeting of the owners under Section 27(1A) of the Ordinance. As the accounts of an OC of a multi-storey building can be fairly complicated, an unqualified accountant may not have the relevant experience and expertise to audit the accounts properly. We **propose** that section 27(1A) be amended to delete the appointment of person other than a qualified accountant to audit the OC's accounts. However, we **propose** to exempt an OC of a building which has less than 50 flats/units from such requirement. If an OC fails to comply with the mandatory auditing requirement without reasonable excuse, it will commit an offence which, on conviction, carries a fine at Level 5 (maximum \$50,000).

**(C) Publication of Notice of Owners' Meeting in Newspapers**

15. In addition to serving notice of an owners' general meeting convened for the purpose of appointing the first MC to individual owners, section 5(3)(b) of the Ordinance stipulates that the notice shall be published in both an English and a Chinese language newspapers from a list of newspapers specified by the Authority. To help reduce owners' initial expenses to convene the meeting, we consider it sufficient to specify the publication of the notice of owners' meeting in one, instead of two, newspaper. Section 5(3)(b) shall be amended accordingly.

**(D) Quorum at a Meeting of OC**

16. Paragraph 5 of the Third Schedule to the Ordinance provides for the quorum at a meeting of an OC. This provision does not expressly provide that proxies appointed by owners under Paragraph 4 of the same Schedule are counted towards the quorum required. However, legal advice has now

confirmed that proxies could be counted towards the quorum. From time to time, we received enquiries about the interpretation of this provision, in particular whether proxies are counted towards the quorum. We consider that Paragraph 5 of the Third Schedule shall be amended to explicitly state that proxies appointed by owners under Paragraph 4 are counted towards the quorum.

## **THE BILL**

17. The main provisions of the Bill are -
- (a) **clause 3** provides for appointment of MC in new buildings;
  - (b) **clause 4** amends section 5 by dispensing with the requirement to publish notices of meetings in two newspapers;
  - (c) **clause 5** requires OCs to have regard to the Code;
  - (d) **clause 6** amends section 27 for auditing of OCs' accounts by professional accountants only;
  - (e) **clause 7** provides for mandatory obligation for OCs to effect third party insurance in relation to the building. The detailed requirements of the insurance policy will be provided in a Regulation to be made separately under the Ordinance;
  - (f) **clause 11** provides for mandatory appointment of building management agent in buildings with serious management and maintenance problems with reference to the Code or risk of danger;
  - (g) **clause 12** enables regulations on insurance to be made;
  - (h) **clause 13** enables codes of practice which deal with standards of management and maintenance to be issued; and
  - (i) **clause 14** enables proxy appointed under paragraph 4 of the Third Schedule to be included under paragraph 5 of the same Schedule.

## **LEGISLATIVE TIMETABLE**

18. The legislative timetable will be -
- |  |                 |
|--|-----------------|
| Publication in the Gazette   | 14 January 2000 |
| First Reading and commencement of the Second Reading Debate            | 26 January 2000 |
| Resumption of Second Reading Debate, committee stage and Third Reading | to be notified  |

## **BASIC LAW IMPLICATIONS**

19. The Department of Justice advises that the Bill does not conflict with those provisions of the Basic Law carrying no human rights implications.

## **HUMAN RIGHTS IMPLICATIONS**

20. The Department of Justice has confirmed that the Bill is consistent with the human rights provisions of the Basic Law.

## **BINDING EFFECT OF THE LEGISLATION**

21. The amendments will not affect the current binding effect of the Ordinance.

## **FINANCIAL AND STAFFING IMPLICATIONS**

22. The Bill will not entail any significant financial or staffing implications. Any additional resource requirement arising from the implementation of the Ordinance will be met by the Home Affairs Bureau and Home Affairs Department with their existing resources.

## **ECONOMIC IMPLICATIONS**

23. The Bill will enhance effective building management and safety, and will therefore benefit the community.

## **PUBLIC CONSULTATION**

24. During the 1998 public consultation exercise, we consulted all of the Provisional District Boards (PDBs) or their committees. We briefed the LegCo Panel on Home Affairs twice (on 12 April and 29 June 1999). The meeting of the Panel on 29 June 1999 was also attended by the chairmen/members of the 18 PDBs. The Panel in general supported the proposed amendments and urged Government to introduce the Bill into the Legislative Council as soon as possible. We separately consulted the Hong Kong Institute of Housing, Chartered Institute of Housing (Hong Kong Branch), Hong Kong Association of Property Management Companies, Hong Kong Federation of Insurers and the Hong Kong Institute of Surveyors. They also supported the proposed amendments in general.

## **PUBLICITY**

25. A press release will be issued to tie in with the gazetting of the Bill on 14 January 2000. A spokesman will be available to handle media and public enquiries.

## **ENQUIRY**

26. For enquiry about this brief, please contact Mr. Francis Lo, Principal Assistant Secretary (Home Affairs), on telephone number 2835 1484.

Home Affairs Bureau  
12 January 2000  
S/F(3) in HAB/CR/8/10/12

附件 A

**Annex A**

《2000 年建築物管理（修訂）條例草案》

**Building Management (Amendment) Bill 2000**

# BUILDING MANAGEMENT (AMENDMENT) BILL 2000

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A BILL

TO

Amend the Building Management Ordinance.

Enacted by the Legislative Council.

**1. Short title and commencement**

(1) This Ordinance may be cited as the Building Management (Amendment) Ordinance 2000.

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

**2. Interpretation**

Section 2 of the Building Management Ordinance (Cap. 344) is amended in the definition "Code of Practice" by adding "from time to time" after "issued".

**3. Appointment of management committee**

Section 3 is amended -

(a) in subsection (2), by repealing "At" and substituting "Subject to subsection (3), at";

(b) by adding -

"(3) In the case of a building the deed of mutual covenant of which is executed by the parties to it after the commencement of section 3 of the Building Management (Amendment) Ordinance 2000 ( of 2000), a management committee, notwithstanding anything to the contrary in the deed of mutual

covenant, may be appointed by a resolution passed by a majority vote of the owners voting either personally or by proxy at a meeting with a quorum of not less than 10% of the owners; and any proxy appointed by an owner for the purposes of voting on that resolution shall be treated as being an owner present at the meeting for the purposes of establishing that quorum."

#### **4. Notice of and voting at meetings**

Section 5(3) (b) is amended by repealing "an English language newspaper, and in a Chinese language" and substituting "a".

#### **5. Duties and powers of corporation**

Section 18 is amended -

(a) by repealing subsection (2) (d);

(b) by adding -

"(2A) Without prejudice to the generality of subsections (1) and (2), the corporation in the performance of its duties and the exercise of its powers under this section shall have regard to and be guided by Codes of Practice issued from time to time under section 44(1)."

#### **6. Accounts of corporation**

Section 27 is amended -

(a) by repealing subsection (1A) and substituting -

"(1A) Except in the case of a corporation incorporated in respect of a building which contains not more than 50 flats, the income and expenditure account and balance sheet referred to in subsection (1) shall be audited by an accountant retained by the corporation as may be approved by the corporation by a resolution passed at a general meeting and that accountant shall certify such account and balance sheet as a true and proper record of the financial transactions of the corporation during the period to which the income and expenditure account and balance sheet relates subject to such qualification, if any, as he may think fit.";

(b) in subsection (3), by repealing "of \$2,000" and substituting "at level 5".

## **7. Section substituted**

Section 28 is repealed and the following substituted -

### **"28. Obligations regarding insurance**

(1) A corporation shall, on behalf of the corporation and the occupiers and owners of a building, procure and keep in force in relation to the building and all parts thereof including the common parts and the property of the corporation, such policy of insurance with an insurance company in respect of third party risks as complies with any requirement prescribed for the purposes of this section.

(2) In the event of a contravention of subsection (1),

every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 5 unless he proves -

- (a) that the offence was committed without his consent or connivance; and
- (b) that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.

(3) A corporation may, on behalf of the corporation and the occupiers and owners of a building, insure and keep insured with an insurance company the common parts of the building and the property of the corporation to the reinstatement value thereof against fire and other risks.

(4) Where a corporation has effected any policy of insurance with an insurance company by virtue of this section the management committee shall permit the Authority, an authorized officer, the tenants' representative, an occupier, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an occupier, an owner or registered mortgagee, to inspect the policy of insurance and any receipt for the premium in respect thereof at any reasonable time.

(5) Where any person (other than the Authority or an authorized officer) referred to in subsection (4) requests the corporation to supply him with copies of the policy of insurance and any receipt for the premium in respect of that policy, the treasurer shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.

(6) The treasurer shall, if requested by the Authority or an authorized officer and without raising any charge, supply the copies referred to in subsection (5) to the Authority or that officer.

(7) In this section and in section 41, "insurance company" (保險公司) —

- (a) means an insurer authorized under section 8 of the Insurance Companies Ordinance (Cap. 41) or deemed under section 61(1) or (2) of that Ordinance to be so authorized, to carry on insurance business;
- (b) means the society of underwriters known in the United Kingdom as Lloyd's; and
- (c) means an association of underwriters approved by the Insurance Authority."

**8. Penalty for improper use of  
"Incorporated Owners"**

Section 35 is amended by repealing "of \$5,000" and substituting "at level 3".

**9. False statement or information**

Section 36 is amended by repealing "of \$5,000" and substituting "at level 3".

**10. Powers of Authority or authorized officer**

Section 40A(2) is amended by repealing "of \$10,000" and substituting "at level 4".

## 11. Sections added

The following are added -

### **"40B. Appointment of building management agent by order of Authority**

(1) Where it appears to the Authority in the case of any building having a management committee that -

- (a) no person is, for the time being, managing that building;
- (b) the management committee has, in any material particular, failed substantially to perform the duties of a corporation under section 18 including without limitation, the duty of a corporation under subsection (2A) of that section to have regard to and be guided by Codes of Practice; and
- (c) by reason of the circumstances mentioned in paragraphs (a) and (b), there is a danger or risk of danger to the occupiers or owners of the building,

the Authority may order that, within such reasonable period as shall be specified in the order, the management committee must appoint a building management agent for the purposes of managing that building.

(2) Where a management committee without reasonable excuse fails to comply with an order made under subsection (1), every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 5 and in the case of a continuing offence, to a further daily fine of \$1,000 for each day during which the offence continues, unless he proves -

- (a) that the offence was committed without his consent or connivance; and
- (b) that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.

(3) In this section and in sections 40C and 40D, "building management agent" (建築物管理代理人) means a person appointed from a list of persons engaged in the business of the management of buildings compiled from time to time by the Authority and published in the Gazette.

**40C. Appointment of building management agent by order of tribunal**

(1) Where upon the application of the Authority it appears to the tribunal in the case of any building that -

- (a) a management committee has not been and is not likely to be appointed under section 3, 3A or 4, notwithstanding an order of the tribunal made under section 4;
- (b) no person is, for the time being, managing that building; and
- (c) the Authority is satisfied that by reason of the circumstances mentioned in paragraphs (a) and (b), there is a danger or risk of danger to the occupiers or owners of the building,

the tribunal may order that, within such reasonable period as shall be specified in the order, a meeting of owners must be convened by such owner as shall be named in the order to deal with the matters referred to in subsection (2) for the

purposes of managing that building.

(2) The matters referred to in subsection (1) are, consecutively -

- (a) to consider and, if thought fit, to pass a resolution which appoints a management committee;
- (b) where that resolution is not passed, to consider and, if thought fit, to pass a resolution which appoints a building management agent,

for the purposes of managing that building.

(3) Notwithstanding anything to the contrary in the deed of mutual covenant, if any, the appointment of -

- (a) a management committee under subsection (2) (a) shall be deemed to be effected if at the meeting of owners convened under that subsection a resolution in favour of that appointment is passed by a majority vote of the owners voting either personally or by proxy at a meeting with a quorum of not less than 10% of the owners; and for the purposes of that meeting, any proxy appointed by an owner for the purposes of voting on that resolution shall be treated as being an owner present at the meeting for the purposes of establishing that quorum;
- (b) a building management agent under subsection (2) (b) shall be deemed to be effected if -
  - (i) a resolution in favour of that

appointment is passed at a meeting of the owners in the manner described in paragraph (a); or

- (ii) where a resolution of the description mentioned in subparagraph (i) is not passed, whether by reason of -
  - (A) a vote of less than a majority; or
  - (B) a quorum of less than 10%, by appointment, directly, by the owner named in the order.

**40D. Powers of building management agent appointed following order of tribunal**

(1) A building management agent appointed under section 40C may carry on any activity or business relating to the management of a building, including without limitation, any activity or business of the description mentioned in the Seventh Schedule in relation to the activities or business of a manager.

(2) An order made under section 40C may direct that a building management agent appointed under section 40C(2) (b) shall hold his appointment for an indefinite period or for a fixed period on such terms and conditions as to remuneration and expenses or otherwise in respect of the carrying on by him of any activity or business relating to the management of the building as the tribunal shall think fit and specify in the order and the remuneration and expenses of the building

management agent as so specified shall be a debt due to him from the owners in accordance with their respective shares at the time that that remuneration and those expenses are payable."

## **12. Power to make regulations**

Section 41 is amended by adding -

- "(ca) the effecting of policies of insurance in respect of third party risks and against fire and other risks by corporations with insurance companies and the conditions and requirements which are to apply in respect of those policies, including without limitation -
- (i) the conditions and requirements in respect of policies which are binding on corporations and the occupiers and owners of a building;
  - (ii) the conditions and requirements in respect of policies which are binding on insurance companies;
  - (iii) the conditions to policies which are to be void and of no effect;
  - (iv) the duty of insurance companies to satisfy judgments against corporations and the occupiers and owners of a building in respect of third party risks;
  - (v) the effect of the insolvency and bankruptcy of corporations and the occupiers and owners of a building in respect of claims by third parties;
  - (vi) the effect of the dissolution of a corporation

in respect of claims by third parties;

- (vii) the avoidance of the imposition by insurance companies of restrictions on the scope of policies covering third party risks;
- (viii) the conditions and requirements as to the minimum amount of insurance cover;
- (ix) the conditions and requirements as to the system of accounts to be kept and the returns to be furnished by insurance companies;
- (x) the obligations of third parties;"

### **13. Codes of Practice**

Section 44(1) is repealed and the following substituted -

"(1) The Authority may from time to time prepare, revise and issue Codes of Practice giving guidance and direction as to -

- (a) the procurement of supplies, goods and services required by a corporation including such procurement by invitation to tender and the tender procedure in respect thereof;
- (b) the standards and practices of management and safety that are to be observed and followed by a corporation including standards and practices relating to -
  - (i) building management;
  - (ii) building safety;
  - (iii) fire safety;
  - (iv) slope safety;
  - (v) lifts and escalators; and

- (vi) utilities and other installations in the common parts of a building."

#### **14. Meetings and procedure of corporation**

Paragraph 5 of the Third Schedule is amended -

- (a) by renumbering it as paragraph 5(1);
- (b) by adding -

"(2) A proxy appointed in accordance with paragraph 4 to give the vote of an owner at a meeting of the corporation shall, for the purposes of establishing a quorum, be treated as being an owner present at that meeting."

#### **15. Mandatory terms in deeds of mutual covenant**

The Seventh Schedule is amended in the square brackets by adding ", 40D" after "34J".

#### **Explanatory Memorandum**

The purpose of this Bill is to amend the Building Management Ordinance (Cap. 344) to facilitate better management of buildings through the provisions described as follows -

- (a) clause 3 amends section 3 to provide that a management committee may be appointed by a majority vote of owners at a meeting convened for the purpose. The quorum of the meeting is not less than 10% of the owners of the building concerned;
- (b) clause 4 amends section 5 which provides for the publication of notice of an owner's meeting to appoint a management committee. The provision as

amended, requires the publication of such notice in one newspaper only;

- (c) clause 5 amends section 18 and deals with the duty of a corporation to comply with the Codes of Practice;
- (d) clause 6 amends section 27 to provide that the corporation of a building containing more than 50 flats must employ an accountant to audit its accounts;
- (e) clause 7 repeals existing section 28 and adds a provision that imposes an obligation on a corporation to insure in respect of the common parts of a building against third party risks;
- (f) clause 11 adds a provision that empowers the Authority, that is, the Secretary for Home Affairs to order the management committee, or if there is no management committee, the Lands Tribunal to order the owners of a building, to appoint a building management agent if the state of management of the building is below the standards contained in the Codes of Practice relating to the management of buildings or there is a danger or risk of danger to the occupiers and owners of the building;
- (g) clause 12 adds an enabling provision so that regulations can be made in respect of policies of insurance by corporations;
- (h) clause 13 amends section 44 so that the Codes of Practice concerning standards and practices of

management and maintenance of buildings may be issued;

- (i) clause 14 adds a provision to the Third Schedule to provide that a proxy appointed by an owner, whether or not he himself is an owner, is counted as a separate owner present at a corporation's meeting insofar as the quorum is concerned.

附件 B

**Annex B**

《大廈管理及維修工作守則》初稿

**Draft "Code of Practice on Building Management and Maintenance"**

民政事務局

**Home Affairs Bureau**

二零零零年一月

**January 2000**

**Code of Practice on  
Building Management and Maintenance**

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Appendix A: Definition of "common parts" under First Schedule to the Building Management Ordinance (Cap.344)

Appendix B: Code of Practice on Procurement of Supplies, Goods and Services issued under section 44 of Building Management Ordinance (Cap.344)

## **Draft**

### **1.0 INTRODUCTION**

#### **1.1 General**

This Code of Practice on Building Management and Maintenance (the Code) is issued by the Secretary for Home Affairs, as the Authority under the Building Management Ordinance (Cap.344), under section [44(1)(b)] of the Ordinance.

#### **1.2 Purpose of the Code**

The purpose of the Code is to publicize standards of management of the common parts of buildings for compliance by owners, office-bearers of management committee of owners' corporations (OCs), office-bearers of owners' committees, managers, building managing agents, management companies and such other persons/bodies charged with the duty to manage the common parts of buildings.

The Code itself will have no direct enforcement effect. If OC or owners fail to meet the standards stipulated in this Code, they will not be subject to any criminal proceedings under the Ordinance but such failure may, in any proceeding whether civil or criminal, be relied upon as tending to establish or to negative any liability which is in question in those proceedings. Failure to comply with the Code may result in the Authority issuing an order under section [40B] of the Ordinance subjecting the building to mandatory building management.

#### **1.3 The Building Management Ordinance (Cap.344)**

The purpose of the Building Management Ordinance is to facilitate the incorporation of owners of flats in buildings or groups of buildings, to provide for the management of buildings or groups of buildings and for matters incidental thereto or connected therewith.

### **2.0 INTERPRETATION**

For the purpose of this Code, unless otherwise stated,

"Authority" means the Secretary for Home Affairs;

"common parts" means -

- (a) the whole of a building, except such parts as have been specified or designated in an instrument registered in the Land Registry as being for the exclusive use, occupation or enjoyment of an owner; and
- (b) unless so specified or designated, those parts specified in the First Schedule to the Building Management Ordinance (Cap.344). An extract of the First Schedule is at Appendix A;

"owners' corporation (OC)" means a corporation of owners of building registered in

## **Draft**

the Land Registry under section 8 of the Building Management Ordinance (Cap.344);

"Ordinance" means the Building Management Ordinance (Cap.344).

### **3.0 BUILDING MANAGEMENT**

#### **3.1 Organization of owners**

- 3.1.1 The owners may establish an OC under the Ordinance or an owners' committee (howsoever named) under the deed of mutual covenant (if any) of the building to manage, control and administer the common parts.
- 3.1.2 The OC or owners' committee so formed may employ a manager, building management agent or management company to carry out the day to day management, control and administration of the common parts on behalf of the owners.

#### **3.2 Management of common parts**

- 3.2.1 All common parts of a building shall be maintained in a state of good and serviceable repair and clean condition, and in accordance with the deed of mutual covenant of the building (if any).
- 3.2.2 No person may convert any part of the common parts of a building to his own use or for his own benefit unless such conversion is approved by a resolution of the OC or owners' committee (if any).
- 3.2.3 No person may use or permit to be used the common parts of a building in such a manner as -
  - (i) unreasonably to interfere with the use and enjoyment of those parts by any owner or occupier of the building; or
  - (ii) to cause a nuisance or hazard to any person lawfully in the building.
- 3.2.4 Regular inspection and maintenance shall be carried out to the building service systems (as listed in paragraphs 3, 6, 9 and 10 of the definition of common parts in Appendix A) to ensure that such systems are in good order and serviceable conditions. Any emergency repair works as may be required to such system shall be attended to promptly.
- 3.2.5 All common facilities and amenities including recreational and sports facilities shall be maintained in good and serviceable repair and condition and in compliance with the Public Health and Municipal Services Ordinance (Cap.132).
- 3.2.6 Any landscaping area shall be maintained in a good and clean condition.

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- 3.2.7 Any lighting installations in the common parts shall be maintained in a state of good and serviceable repair and condition.

### **3.3 Environmental hygiene**

- 3.3.1 Refuse, garbage, junks and/or abandoned building material in the common parts shall be collected on a daily basis and transported to a refuse collection point designated for disposal.
- 3.3.2 All staircases, corridors, lift lobbies, entrance lobbies/halls, passageways, lightwells and any refuse room/chamber including refuse chute and associated facilities shall be cleansed at least [every week].
- 3.3.3 Any water seepage or pipe leakage found in the common parts shall be rectified as soon as possible.

### **3.4 Security**

- 3.4.1 Any provision of security and guarding services including the employment of security personnel shall comply with the Security and Guarding Services Ordinance (Cap. 460) and Watchman Ordinance (Cap. 299).

### **3.5 Insurance**

- 3.5.1 Owners shall take out insurance in respect of any staff employed by them as required by the Employees' Compensation Ordinance (Cap. 282).
- 3.5.2 Owners may insure and keep insured the building or any part thereof to the reinstatement value against fire and other risk.

### **3.6 Accounts**

- 3.6.1 Proper books and records of account and other financial records, including an income and expenditure account and a balance sheet, in relation to the management, control and administration of common parts shall be properly prepared by the management committee of OC, owners' committee (if any), manager, building managing agent, management company or such other person/body managing the common parts in accordance with the Sixth and Seventh Schedules to the Ordinance.
- 3.6.2 With the exception of buildings of 50 flats/units or less, the income and expenditure account and balance sheet shall be audited by a qualified accountant annually.
- 3.6.3 Owners may establish and maintain a contingency fund to provide for any expenditure of an unexpected and urgent nature.

### **3.7 Procurement of supplies, goods and services**

- 3.7.1 The procurement of all supplies, goods services shall comply with the Code of Practice on Procurement of Supplies, Goods and Services issued by the Authority under section 44 of the Ordinance at Appendix B.

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### **3.8 Water supply**

- 3.8.1 Water pumps, tanks and associated pipeworks shall be maintained in good and serviceable repair and condition.
- 3.8.2 Water tanks shall be cleansed at least every [six month].

### **3.9 Communication among owners/occupants**

- 3.9.1 The manager, building managing agent, management company or any other person/body managing the building shall hold regular meetings with the owners and occupants or their representatives with respect to the management, control and administration of common parts. Minutes of meetings shall be prepared and posted at conspicuous place of the building for information of owners and occupants.

### **3.10 Deed of mutual covenant**

- 3.10.1 A deed of mutual covenant (DMC) is a document registered in the Land Registry which defines the rights, interests and obligations of owners among themselves.
- 3.10.2 Owners shall be aware of the terms and conditions of the DMC of their building and shall perform the duties and exercise the rights as stipulated in the DMC.
- 3.10.3 A copy of the DMC shall be made available for inspection at the management office (if any) and for the making of copies by owners at their expense.

## **4.0 FIRE SAFETY**

### **4.1 Abatement of fire hazards**

- 4.1.1 Means of escape shall be free from obstruction.
- 4.1.2 Gate/door at building entrance and/or rooftop shall be readily opened from within the premises without the use of a key.
- 4.1.3 Metal gate or roller shutter shall not be installed across means of escape.
- 4.1.4 Smoke lobby doors shall be in good working condition and properly closed at all times.
- 4.1.5 Fire service installations or equipment provided in buildings shall not be removed.
- 4.1.6 Fire service installations or equipment provided in buildings shall be maintained in efficient working order at all times.

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- 4.1.7 Fire service installations or equipment shall be inspected by a registered fire service installation contractor at least once every 12 months.
- 4.1.8 Fire shutters and dampers shall be maintained in good working order.
- 4.1.9 Emergency vehicular access shall be free from obstruction.

Note:

- (a) The Director of Fire Services may, pursuant to sections 9(1), 9B(1) and 9B(2) of the Fire Services Ordinance (Cap.95), institute direct prosecution or fire hazard abatement action as appropriate against the owner, tenant, occupier or person in charge of the building who fails to comply with any of the requirements as mentioned in 4.1.1 to 4.1.9 above.
- (b) Pursuant to sections 9(4) and 9C(1) of the Fire Services Ordinance (Cap.95), the Director of Fire Services may further apply to the court to make a "Fire Hazard Order" or a "Removal Order" as appropriate requiring the owner, tenant, occupier or person in charge of the building to abate the fire hazard.

### **4.2 Storage of dangerous goods**

- 4.2.1 Under section 6 of the Dangerous Goods Ordinance (Cap.295)-
  - (a) storage of dangerous goods in excess of exempted quantity shall be licensed and approved by the Director of Fire Services; and
  - (b) dangerous goods shall not be stored in excess of licensed quantity and in unlicensed stores (e.g. common area, open ground).

### **4.3 Fire Safety Checklist**

- 4.3.1 Owners, occupants, manager, building managing agent, management company, office bearers of OC or owners' committee, or such other person/body managing the building shall carry out routine inspections on fire safety provisions of their own building and to rectify minor irregularities identified in accordance with the Fire Safety Checklist published by the Home Affairs Department.

## **5.0 BUILDING SAFETY**

### **5.1 Structural elements**

- 5.1.1 If there is cracking, spalling, bulging or deformation of structural elements (columns, beams, floor slabs, structural walls and cantilevered balconies/canopies) or exposing of reinforcement bars, the owners or OCs shall appoint an Authorized Person and/or Registered Structural Engineer registered under the Buildings Ordinance to check the condition and, if necessary, submit remedial proposals to the Building Authority, for

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consideration.

### **5.2 External walls**

- 5.2.1 Minor cracking, damage, spalling or bulging of cement rendering, concrete surface, wall tiles or other finishes and delaminated mosaic tiles shall be repaired, including removing the defective and loose parts.
- 5.2.2 Minor cracking, damage or spalling in window hoods, sills, fins, architectural features, air-conditioning platform or rusty racks shall be repaired, including removing the defective and loose parts.
- 5.2.3 Any dampness or water staining marks shall be traced for eliminating the source of dampness. The affected wall finishes shall be repaired, including making good or replacing damaged wall finishes.
- 5.2.4 Defective protective barriers or railings shall be repaired or replaced.

### **5.3 Canopies and balconies**

- 5.3.1 Canopies and balconies shall not be overloaded and misused. They should be free of all attachments and should not be used for stockpiling. They should be kept in dry condition and properly drained.

### **5.4 Internal walls**

- 5.4.1 Minor cracking, spalling or bulging of concrete surface, loose plaster or other finishes shall be repaired including removing the defective and loose parts.
- 5.4.2 Water seepage, staining marks or mould growth on wall surface shall be rectified. The source of dampness shall be traced and eliminated and the affected wall finishes shall be made good, repaired or replaced.

### **5.5 Floors and ceilings**

- 5.5.1 Any minor cracking, spalling or bulging of concrete ceiling slabs and loose plaster shall be repaired, including removing the defective and loose parts.
- 5.5.2 Any water seepage shall be rectified including tracing and eliminating source of dampness and making good, repairing or replacing affected finishes.
- 5.5.3 Any defective finishes of flooring including hollowness or lifting shall be repaired and made good, including removing the defective parts.

### **5.6 Roofs/Flat roofs**

- 5.6.1 Water ponding on roof/flat roof shall be rectified including repairing the damaged roof/flat roof slab and laying finishes to proper fall.
- 5.6.2 In respect of defective water proofing materials and/or movement joints, specialist roofing contractor shall be appointed to rectify the defects,

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including repairing or replacing defective materials.

5.6.3 Defective roof/flat roof railing, barriers or parapets shall be repaired or replaced.

5.6.4 Roofs/flat roofs shall not be overloaded and misused. They should be free of all attachments and should not be used for stockpiling. They should be kept in dry condition and properly drained.

### **5.7 Windows and doors**

5.7.1 Distorted, rusty or defective windows and door frames shall be repaired or replaced.

5.7.2 Any water seepage around window and door openings shall be identified and rectified, including resealing gaps between the frame and wall opening if necessary.

5.7.3 Any defective glazing and louveres, including putty failure, broken/missing of glazing beads and broken glazing, shall be repaired or replaced.

5.7.4 Defective ironmongery including hinges, stays, fasteners, door closers and locks shall be repaired or replaced.

### **5.8 Drainage**

5.8.1 The following defects of above-ground drain shall be repaired or rectified-

- Defective pipe fixing
- Rusty pipes
- Choking and insanitary condition
- Vegetation growth

5.8.2 Any choking or insanitary condition of underground drains shall be cleared or rectified.

5.8.3 Defective manhole covers shall be repaired or replaced.

5.8.4 Cause of any water seepage of pipe ducts shall be established and rectified, including the making good found in loose plaster.

[For items 5.2 to 5.7, if extensive or major defects are found in the building elements mentioned therein, the owners or OC shall appoint an Authorized Person and/or Registered Structural Engineer registered under the Buildings Ordinance to check the condition and, if necessary, submit remedial proposals to the Building Authority for consideration.]

[For items 5.1 to 5.8, please also refer to general notes 2 to 4 below].

### **5.9 Unauthorized building works**

5.9.1 No unauthorized building works or alteration shall be carried out, or

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unauthorized structures erected in, the common areas.

[Please also refer to general notes 4 and 6 below.]

### **5.10 Management of smoke stop and fire doors**

- 5.10.1 The doors of the smoke lobby, fireman's lift lobby, staircase, switch room and rooms containing air-conditioning plant or similar hazardous installations shall be kept in good repair condition including the door hinges, glazed panels and door closers.
- 5.10.2 These doors shall be kept in closed position.
- 5.10.3 These doors shall not be removed or replaced with doors having a lower fire resistance such as ordinary glass doors.

### **5.11 Management of means of escape**

- 5.11.1 Doors or gates shall not swing out onto exit routes such as the common corridor, staircase and rear lane causing obstruction to the exit routes.
- 5.11.2 Doors or gates at common parts shall be readily openable from inside without the use of a key.
- 5.11.3 Doors giving access to the roof of single-staircase building shall be readily openable from inside without the use of a key.
- 5.11.4 Exhaust fans, air-conditioning units or similar installations shall not be installed in the smoke lobby or staircase. No opening shall be formed in the smoke lobby or staircase walls for such installations or for doors or windows.
- 5.11.5 Exit routes shall be free of any obstruction caused by unauthorized structures such as racks, shelves, cabinets and store rooms.
- 5.11.6 Adequate lighting shall be provided for the exit routes and shall be kept in good condition.

### **5.12 Management of fire resisting construction**

- 5.12.1 The walls of switch rooms and rooms containing air-conditioning plants or similar hazardous installations shall be kept in good condition and free of unprotected openings.
- 5.12.2 Electric cables and similar installations in staircases shall be enclosed by fire resisting walls or ducting. Such walls and ducting shall be kept in good condition. Any access panels thereto shall be kept in closed position.

### **5.13 Management of access for firefighting and rescue**

- 5.13.1 The walls of fireman's lift lobby shall be kept in good condition and free of unprotected openings.

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[For items 5.10 to 5.13, please also refer to general notes 4 and 5 below.]

### 5.14 Public telecommunications and broadcasting services installations

- 5.14.1 Cabling facilities (which include risers, ducts, conduits, cable trays, junction boxes, equipment rooms, etc) located in common parts of the building used for the installation of cables and equipment of public telecommunications and broadcasting services should be maintained in good and serviceable condition and protected against from any risk of fire, flooding and vandalism.
- 5.14.2 For the provision of access to, and use of the cabling facilities for telecommunications and broadcasting services, the "Guidelines for Property Owners, Developers and Managers for the Provision of Facilities within Property Developments for Access to Public Telecommunications and Broadcasting Services" issued by the Telecommunications Authority in May 1995 and its subsequent revisions should be adhered to.

#### Notes:

1. The above technical contents are guidelines for building management purpose the compliance of which may not constitute full compliance of other legislation applicable to building and fire safety. Owners and OCs shall seek professional advice on the technical standards and relevant legislation as far as possible.
2. Regular building inspection enables timely maintenance and repairs to the common building defects. It is advisable for owners or OCs to enlist the service of qualified building professionals (e.g. architect, engineer or surveyor) to assist them in planning and implementing a planned building maintenance programme. Structural repairs shall be carried out under the supervision of an Authorized Person and/or Registered Structural Engineer registered under the Buildings Ordinance (Cap.123).
3. In establishing the need for basic building maintenance and repair works, the extent and location of defects have to be taken into account. Any repair works required shall preferably be carried out by a Registered General Building Contractor registered under the Buildings Ordinance (Cap.123).
4. Where a building is left in a state of disrepair or has been altered to such an extent as to generate concerns on public safety, the Building Authority may initiate enforcement action under the Buildings Ordinance (Cap.123) and order the owners or OCs to carry out investigation, repair or restatement works as necessary.
5. For technical standards relating to means of escape, means of access for firefighting and rescue and fire resisting construction, please refer to the following codes of practices published by the Buildings Department and any

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subsequent revisions-

- (i) Code of Practice for the Provision of Means of Escape in case of Fire 1996;
- (ii) Code of Practice for Means of Access for Firefighting and Rescue 1995; or
- (iii) Code of Practice for Fire Resisting Construction 1996.

6. For standards on reinstatement of buildings or parts thereof affected by unauthorized building works, please refer to the plans approved by the Building Authority and/or the Buildings Ordinance (Cap.123).

### 6.0 SLOPE SAFETY

- 6.1 Any slope or retaining wall for which an owner is responsible shall be maintained in a state of good condition in accordance with Geoguide 5 - Guide to Slope Maintenance published by the Geotechnical Engineering Office of the Civil Engineering Department.

### 7.0 ELECTRICAL, GAS, LIFT AND ESCALATOR INSTALLATIONS

- 7.1 Any electrical installations, gas installations, lift and escalator at common parts of a building shall be maintained in accordance with the following legislative standards and/or code of practices published by the Electrical and Mechanical Services Department-

#### 7.1.1 *Electrical installations*

- Electricity Ordinance (Cap. 406);
- Electricity (Registration) Regulations (Cap.406 sub.leg.);
- Electricity (Wiring) Regulations (Cap.406 sub.leg.);and
- Code of Practice for the Electricity (Wiring) Regulations.

#### 7.1.2 *Gas installations*

- Gas Safety Ordinance (Cap.51);
- Gas Safety (Gas Supply) Regulations (Cap.51 sub.leg.);
- Gas Safety (Installation and Use) Regulations (Cap.51 sub.leg.);
- Gas Safety (Miscellaneous) Regulations (Cap.51 sub.leg.);and
- Gas Safety (Registration of Gas Installers and Gas Contractors) Regulations (Cap.51 sub.leg.).

#### 7.1.3 *Lifts and escalators*

- Lifts and Escalators (Safety) Ordinance (Cap.327);
- Code of Practice on the Design and Construction of Lifts and Escalators; and
- Code of Practice on the Examination, Testing and Maintenance of Lifts and Escalators.

## 附表 1

〔第 2 條〕

## 公用部分

## FIRST SCHEDULE

[s.2]

## COMMON PARTS

- |  |   |
|--|---|
| <ol style="list-style-type: none"> <li>1. 外牆及承重牆、地基、柱、樑及其他結構性支承物。</li> <li>2. 圍繞通道、走廊及樓梯的牆壁。</li> <li>3. 屋頂、煙囪、山牆、雨水渠、避雷針、碟形衛星天線及附屬設備、天線及天線電線。(由 1993 年第 27 號第 38 條修訂)</li> <li>4. 護牆、圍欄及邊界牆。</li> <li>5. 2 個或多於 2 個單位共用的通風口。(由 1993 年第 27 號第 42 條修訂)</li> <li>6. 水箱、水池、水泵、水井、污水管、污水處理設施、排水渠、糞管、廢水管、溝渠、水道、雨水渠、導管、落水管、電纜、陰溝、垃圾槽、卸斗及垃圾房。(由 1993 年第 27 號第 38 條修訂)</li> <li>7. 地窖、洗手間、廁所、洗衣房、浴室、廚房及看守員所用單位。</li> <li>8. 通道、走廊、樓梯、樓梯平台、光井、樓梯窗框及所裝配的玻璃、升降口、屋頂通道及通往屋頂的出口和門閘。</li> <li>9. 升降機、自動梯、升降機井及有關的機械器材和放置機械器材的地方。</li> <li>10. 照明設備、空調設備、中央供暖設備、消防設備，以及普遍供所有業主使用或為所有業主的利益而設置的裝置，以及安裝、設置此等設備、裝置的任何房間或小室。</li> <li>11. 設置在任何單位內但與建築物內其他單位或其他部分一起供人使用的固定裝置。</li> <li>12. 草地、花園及遊樂場，以及任何其他康樂活動場地。(由 1993 年第 27 號第 38 條增補)</li> </ol> | <ol style="list-style-type: none"> <li>1. External walls and load bearing walls, foundations, columns, beams and other structural supports.</li> <li>2. Walls enclosing passageways, corridors and staircases.</li> <li>3. The roofs, chimneys, gables, gutters, lightning conductors, satellite dishes and an equipment, aerials and aerial cables. (Amended 27 of 1993 s.38)</li> <li>4. Parapet walls, fences and boundary walls.</li> <li>5. Vents serving 2 or more flats. (Amended 27 of 1993 s.42)</li> <li>6. Water tanks, reservoirs, pumps, wells, sewers, sewage treatment plants, drains, soil waste pipes, channels, water-courses, gutters, ducts, downpipes, cables, conduits, chutes, hoppers and refuse container chambers. (Amended 27 of 1993 s.38)</li> <li>7. Cellars, toilets, water closets, wash houses, bathhouses, kitchens and caretakers' flats.</li> <li>8. Passageways, corridors, staircases, landings, light wells, staircase window frame glazing, hatchways, roofways and outlets to the roofs and doors and gates giving thereto.</li> <li>9. Lifts, escalators, lift shafts and machinery and apparatus used in connexion therewith the housing thereof.</li> <li>10. Lighting apparatus, air conditioning apparatus, central heating apparatus, fire fighting equipment and installations intended for the use and benefit of all of the owners generally and any room or chamber in which such apparatus, equipment or installation is fitted installed.</li> </ol> |
|--|---|

13. 游泳池、網球場、籃球場、壁球場以及包容或容納任何運動或康樂活動設施的處所。(由1993年第27號第38條增補)
  14. 會所、健身室、桑拿浴室以及包容健體或休憩設施的處所。(由1993年第27號第38條增補)
  15. 組成或形成任何土地的一部分的斜坡、緩坡及護土牆，包括海堤(如有的話)，而該土地與建築物乃屬同一共同擁有權者。(由1993年第27號第38條增補)
11. Fixtures situated in a flat which are used in connexion with the enjoyment of any other portion of the building.
  12. Lawns, gardens and playgrounds and any other recreational areas. (Added 27 of 1993)
  13. Swimming pools, tennis courts, basket-ball courts, squash courts and premises containing or housing any other sporting or recreational facilities. (Added 27 of 1993 s.38)
  14. Clubhouses, gymnasiums, sauna rooms and premises containing health or leisure facilities. (Added 27 of 1993 s.38)
  15. Slopes, gradients and retaining walls including sea walls (if any) comprising or forming part of any land which is in common ownership with the building. (Added 27 of 1993)

Section 44 of the  
Building Management Ordinance (Chapter 344)-  
Code of Practice on Procurement of  
Supplies, Goods and Services

It is hereby notified that under section 44 of the Building Management Ordinance, the Authority has issued the following Code of Practice on the procurement of supplies, goods and services:-

1. Any supplies, goods or services the value of which exceeds or is likely to exceed -
  - (a) the sum of \$100,000 or such other sum in substitution therefore as the Authority (Secretary for Home Affairs) may specify by notice in the Gazette; or
  - (b) the sum which is equivalent to 20% of the annual budget of the corporation or such other percentage in substitution therefore as may be approved by the corporation by resolution passed at a general meeting,whichever is the lesser, shall be procured by invitation to tender.
2. Subject to para. 1 above, the management committee shall prepare a proposal setting out the types of supplies of goods or services required, the respective estimated costs and the period open for tender. A copy of the tender proposal shall be displayed at a prominent place of the building.
3. (a) A tender to which para.1 above applies shall be in writing and be sealed and deposited in a strong double locked box marked 'Tender-Box (Chinese Version)' provided for that purpose only and such box shall be securely located at a prominent place in the building. The two keys of the tender-box are to be separately kept by the chairman, secretary or treasurer.

6. All tenders shall be opened at the same time in the presence of at least 3 members of the management committee who shall sign and date the tender documents.
7. Tenders of a value not exceeding the sums specified under paragraph 8 shall be submitted to the management committee which may accept or reject them.
8. Tenders of a value exceeding:-
  - (a) the sum of \$200,000 or such other sum in substitution therefore as the Authority may specify by notice in the Gazette; or
  - (b) the sum which is equivalent to 45% of the annual budget of the corporation or such other percentage in substitution therefore as may be approved by the corporation by resolution passed at a general meeting.Whichever is the lesser shall be submitted to the corporation which may, by a resolution passed at a general meeting of the corporation, accept or reject them.
9. The management committee shall maintain and keep in safe custody for a period being not less than 6 years, as the corporation may determine, all tender documents, copies of contracts, accounts and invoices and any other documents in the possession of the corporation and relating to the procurement of supplies, goods and services. The management committee shall also permit the Authority, the tenants' representative, an owner, a registered mortgagee or any other person authorized in writing in that behalf by an owner or registered mortgagee to inspect the relevant documents at any reasonable time.
10. The documents referred to in paragraph 9 shall contain such information as to permit the person inspecting that record to calculate the financial liability (including any

- (b) Where it is impracticable or difficult to comply with the requirement under para. (a) above, the corporation may, by a resolution passed at a general meeting, accept tenders handed in or sent by post to the registered office of the corporation.
4. The minimum number of tenders to be sought shall be as follows:-
- (a) 3 in the case of tenders for supplies, goods or services exceeding a value of \$10,000 but not exceeding a value of \$100,000; or
  - (b) 5 in the case of tenders for supplies, goods or services exceeding a value of \$100,000.

The Authority may specify by notice in the Gazette such other sums in substitution of the above mentioned tender values.

5. The closing date and time for acceptance of tenders shall be clearly stated in the relevant tender documents. Later submissions shall not be accepted.

future financial liability) of the corporation at the time of inspection.

11. Before the award of tender, a member of the management committee shall disclose in writing to the secretary of the management committee any pecuniary interest that he may have in any tender or contract considered or to be considered by the management committee or the corporation. If the secretary of the management committee has such an interest, he should disclose the same in writing to the chairman of the management committee. A management committee member who has indicated a vested interest in the tender or contract shall abstain from voting in the selection of such tender/contract at a management committee meeting.

Home Affairs Department

July 1997

**Proposed mandatory management of buildings  
with serious management and maintenance problems**

**Proposed criteria of inclusion on a list of building management agents**

The building management agent shall-

1. be a company incorporated under the Companies Ordinance (Cap.32) or incorporated by any other Ordinance of the HKSAR;
2. preferably be currently managing a portfolio of 500 residential/commercial units or more in HKSAR. The number of commercial units will be calculated based on a notional size of 50m<sup>2</sup> gross floor area per unit;
3. have a sound financial background; and
4. preferably have a minimum of three years experience in property management in the HKSAR and have at least one full-time member or employee at directorate or senior managerial level, who is a practising member of one of the following professional bodies with not less than three years' post-qualification experience in property management-
  - (i) The Hong Kong Institute of Housing; or
  - (ii) The Hong Kong Institute of Surveyors.

Registered Professional Housing Manager or Registered Professional Surveyor with at least three years' experience in property management since obtaining his professional qualification will also fall into this category.