# 立法會
# *Legislative Council*

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**Paper for the House Committee meeting on 2 November 2007**

**Report of the Subcommittee on Building Management (Third Party Risks Insurance) Regulation**

## Purpose

This paper reports on the deliberations of the Subcommittee on Building Management (Third Party Risks Insurance) Regulation (the Regulation).

## Background

2. The Building Management (Amendment) Ordinance 2000 introduced a new provision (i.e. section 28(1)) in the Building Management Ordinance (Cap. 344) (BMO) which requires all owners' corporations (OCs) to procure and keep in force in relation to the common parts of the building a policy of third party risks insurance. To implement the new provision which has yet to come into operation, the Administration needs to draw up the Building Management (Third Party Risks Insurance) Regulation to prescribe the requirements with which a policy must comply and to provide for related matters.

3. During the drafting of the Regulation, the Administration noted that certain amendments needed to be made to the principal Ordinance. These amendments had been included in the Building Management (Amendment) Bill 2005 which was passed on 25 April 2007.

## Building Management (Third Party Risks Insurance) Regulation

4. The Regulation was published in the gazette on 6 July 2007 and tabled in the Legislative Council for negative vetting on 11 July 2007. Under section 34 of the Interpretation and General Clauses Ordinance (Cap. 1), the scrutiny period of the Regulation is deemed to extend to and expire on the day after the second meeting of the Legislative Council (i.e. 17 October 2007). The scrutiny period of the Regulation has been further extended from 17 October 2007 to 7 November 2007 by a resolution of the Council.

5. Section 3 of the Regulation prescribes that a policy is required to insure the assured OC in respect of any liability that may be incurred by the corporation in respect of the death of, or the bodily injury to, any person ("prescribed liabilities"). Section 3 also prescribes the areas which the policy is not required to cover.

6. Section 4 of the Regulation prescribes the minimum amount of insurance at $10m that a policy is required to provide in respect of the prescribed liabilities.

7. Section 5 of the Regulation requires an insurance company to issue to the assured OC a notice of insurance when it issues a policy. The corporation is required to display the notice in a prominent place in the building.

8. Section 6(1) of the Regulation stipulates that a policy provision that restricts the insurance by reference to a matter set out in section 6(2) is of no effect. However, this stipulation does not apply under the circumstances set out in section 6(3), for example a policy which restricts the insurance of the assured OC by reference to the use of the building and requires the OC to exercise reasonable diligence to ensure compliance with the deed of mutual covenant concerned in relation to the use of that building and the death or bodily injury that gives rise to the liability is directly caused by the OC's contravention of that requirement. Section 6(6) provides that any sum paid by an insurance company in or towards the discharge of any liability of the assured corporation which is covered by the policy by virtue only of subsection (1) is recoverable by the insurance company from the assured corporation. Section 6(7) stipulates that if a policy provision restricts the insurance in the event of the assured OC's failure to comply with a requirement after the event giving rise to a claim under the policy has taken place, the provision is of no effect. Section 6(8) provides that nothing in section 6(7) renders void any provision in a policy requiring the assured corporation to pay to the insurance company any sum that the insurance company may have become liable to pay under the policy, and that has been applied to the satisfaction of the claims of third parties.

9. Section 7 of the Regulation stipulates that an agreement that purports to negative or restrict any prescribed liability of an OC towards a third party is of no effect. If a person has willingly accepted the risk of negligence, the acceptance does not negative any prescribed liability of an OC.

10. Section 8 of the Regulation stipulates that if a third party has obtained judgment against an OC in respect of a prescribed liability covered by a policy, or would be covered by the policy but for the fact that the insurance company may avoid or cancel, or has avoided or cancelled, the policy, the insurance company is required to pay to the third party any sum payable under the

judgment up to the amount covered by the policy. A liability is regarded as being covered by a policy if the liability is covered by the policy by virture of section 6 of the Regulation but would not otherwise be covered by the policy.

11. Section 9 of the Regulation sets out the exceptions to the requirement to pay any sum under section 8.

12. Section 10 of the Regulation stipulates that if an OC becomes insolvent, the insolvency, or the third party's direct right of action against the insurance company under the Third Parties (Rights against Insurers) Ordinance (Cap. 273), does not affect the corporation's prescribed liability. And the third party's right against the insurance company under section 8 is not affected by that direct right of action against the insurance company.

13. Section 11 of the Regulation requires an OC to give certain information as to the third party risks insurance by which it is covered.

14. The Regulation will come into operation on the day appointed for the commencement of section 12 of the Building Management (Amendment) Ordinance 2000 (69 of 2000) (i.e. section 28 of BMO). It is the Administration's intention that the new requirement on mandatory third party risks insurance shall take effect on 1 January 2009.

**The Subcommittee**

15. At the House Committee meeting on 12 October 2007, members formed a subcommittee to study the Regulation. Under the chairmanship of Hon James TO, the Subcommittee has held a total of four meetings and met with the representatives of the Hong Kong Federation of Insurers (the Federation) and the Hong Kong Association of Property Management Companies Limited (the Association). The membership list of the Subcommittee is in **Appendix I**. The Subcommittee has also received written views from nine professional and property management-related bodies, a list of which is in **Appendix II**.

**Deliberations of the Subcommittee**

Statutory minimum amount of insurance coverage

16. Members have expressed diverse views on the statutory minimum amount of insurance coverage of the mandatory procurement of third party risks insurance by OCs. Hon Miriam LAU has expressed doubt whether the proposed amount of $10 million can offer adequate protection for owners and third parties. She considers that, as the difference in insurance premium would not be significant for a change in the insured amount, there is room to

increase the statutory minimum insured amount. Some other members including Hon James TO, Hon Audrey EU and Hon WONG Kwok-hing have expressed concern about the possible impact on the financial burden of owners, particularly those in buildings with a small number of units.

17. The Administration has informed the Subcommittee that, according to the Federation, an average of 6 500 public liability claims were received by its member companies between 2002 and 2004, and no single claim exceeding $10 million was reported. Although no breakdown of the claims is available, most claims are small to medium size according to the experience of its member companies.

18. In response to members' concern about the financial burden of owners, the Federation has advised the Subcommittee that, as a very rough indication, the insurance premium may take like some $5,000 to over $10,000 for an insured amount of $10 million in respect of a building of 10 storeys and 20 flats with good maintenance conditions. The change in the insurance premium may not be directly proportionate to the change in the insured amount, and may vary with different insurance companies and the conditions of the buildings. As a very rough indication, if an insured amount is decreased from $10 million to $5 million, the insurance premium may drop by around 10% to 30%. The insurance premium may increase by around 20% to 25% if the insured amount is increased to $15 million instead, by around 30% to 50% if increased to $20 million, and by around 100% or above if increased to $30 million. The Federation has also informed the Subcommittee that there are currently 89 insurers authorised to provide third party risks insurance for buildings. There are sufficient companies in the market to ensure effective market competition.

19. The Administration has informed the Subcommittee that there are presently about 15 000 buildings with OCs, and 88% of which have procured third party risks insurance for their buildings. The Administration does not have a comprehensive survey on why the remaining 12% of OCs have not procured third party risks insurance as well as the types/conditions of these buildings concerned. The Administration, however, has advised that the Urban Renewal Authority and the Hong Kong Housing Society have both introduced an incentive scheme whereby OCs which have completed the renovation works in the common parts of the buildings will be reimbursed for the third party risks insurance premium of up to $6,000 per annum for three consecutive years.

20. Hon WONG Kwok-hing has suggested to the Administration to consider setting up a tiered structure on the basis of the numbers of flats in respect of the minimum insured amount. The Administration considers it impractical to do so on the ground that, as the number of units of buildings in Hong Kong varies greatly, a number of tiers would be required to cater for the many different

types of buildings. Hon Miriam LAU has also expressed doubt whether it is appropriate to set a smaller amount of insurance coverage for buildings with small numbers of units because these buildings do not necessary pose less risk to third parties.

21. Hon James TO, Hon CHOY So-yuk and Hon Audrey EU have expressed concern that the insurance premium would pose a heavy financial burden on owners of old buildings who may have very low income. They are of the view that it is far from satisfactory that information about the profile of the buildings which have not been covered by third party risks insurance has not been made available to members when considering whether the mandatory requirement to procure third part risks insurance should be applied across the board.

22. Hon James TO has suggested that, as OCs of buildings with less than 50 units have been exempted from the mandatory requirement to prepare an audit report under BMO, the Administration should consider whether it is feasible to exempt OCs of buildings with 20 units or less from the mandatory requirement to procure third party risks insurance. The Administration has explained that the same consideration should not be applied to these two mandatory requirements as they are of a different nature, because buildings with less units will also become liable in case of third party's death or bodily injury. Hon Audrey EU has expressed the view that using the number of units in a building as a criterion will not be the best option because some low-rise buildings in well-off areas also have a small number of units. Mr TO has pointed out that owners with low income living in those old buildings may have to dissolve their OCs if the level of insurance premium is beyond their affordability. As members have raised their concern, the onus of responsibility rests on the Administration to resolve the problem when implementing the mandatory requirement to procure third party risks insurance. The Administration has advised that, in view of members' concern, it could consider deferring the implementation date if it is anticipated that owners of these buildings have great difficulties in complying with the mandatory requirement.

Insurance coverage of unauthorised building works (UBWs)

23. Some members including Hon James TO, Hon Albert HO and Hon TAM Heung-man have expressed disappointment that UBWs attached to or hung on the common parts of a building would not be covered under the mandatory third party risks insurance under the Regulation. They consider that, given the fact that the problem of UBWs is prevalent which would not be resolved in the foreseeable future, inclusion of UBWs in the insurance coverage would better protect third parties. In addition, an increase in premium due to the inclusion of UBWs may encourage owners concerned in considering demolition of UBWs attached to or hung on the common parts of a building. Members belonging to the Democratic Alliance for the Betterment

and Progress of Hong Kong, however, support the proposal for not including these UBWs.

24. The Administration is strongly of the view that OCs should not be required on a mandatory basis to procure a third party risks insurance policy which covers liabilities arising out of UBWs for the following reasons -

(a) it would imply that the Government condones the existence of these UBWs;

(b) it would encourage indirectly the continual existence of UBWs as they are "protected" under the insurance policies;

(c) there will be a strong incentive for OCs to deal with the problem of UBWs as they will not be protected by the insurance policies for the death or bodily injury caused to third parties by these UBWs; and

(d) the higher insurance premium to cover these UBWs would mean cross-subsidy of the poorly maintained buildings by those properly maintained ones which is very unfair to the latter.

25. The Subcommittee notes that the insurance industry also does not support including UBWs in the mandatory third party risks insurance under the Regulation.

26. Hon Albert HO and Hon Audrey EU have expressed concern over the situation that an OC is unable to comply with the mandatory requirement to procure third party risks insurance because of the existence of UBWs in the building. Ms EU has pointed out that there are buildings which have UBWs attached to or hung on the common parts which were built by the developer and it is not feasible to demolish the UBWs even though the OCs want to do so, or the quotes for premium, as a result, are unreasonably high.

27. The Administration has explained that, as it is not mandatory for the insurance policy to cover the liabilities arising out of UBWs, the existence of UBWs in the building may not render it impossible for an OC to procure third party risks insurance. The Federation has also informed the Subcommittee that there is usually a provision in an insurance policy for a building to exclude specifically liabilities arising out of UBWs. An OC should not have difficulties in procuring third party risks insurance even though the building concerned has UBWs, unless the building has a bad reputation for poor maintenance and management condition.

28. In response to members' enquries as to the definition of UBWs and the enforcement policy of the Buildings Department (BD), the Administration has informed the Subcommittee that UBWs include any building erected in contravention of the Buildings Ordinance (Cap. 123) or any building works or street works carried out in contravention of the Buildings Ordinance. Under the current enforcement policy on UBWs, BD will take immediate enforcement action against UBWs that are newly built or posing an imminent danger to life or property. For other UBWs, BD will consider issuing warning notices or advisory letters to the owners concerned. If the UBWs concerned are not demolished within a specified timeframe, BD will register the warning notices in the Land Registry.

Obligation to procure insurance

29. Members note that if OCs failed to comply with this requirement, every member of the management committee (MC) shall be guilty of an offence and shall be liable on conviction to a fine at level 5. Should member of the MC prove that the offence was committed without his consent or connivance, and that he has exercised all such due diligence to prevent the contravention of the mandatory requirement to procure third party risks insurance as he ought to have exercised in the circumstances, he will not be guilty of the offence.

30. Hon James TO has enquired whether it would be a defence for an MC by claiming that it has exercised due diligence to comply with the statutory requirement, if the OC concerned has failed to procure mandatory third party risks insurance because of the existence of many UBWs in the building or unreasonably high insurance premium. The Administration has explained that it depends on the particular situation of the case concerned and it is subject to the court to decide what is meant by 'unreasonably high' insurance premium and whether the MC members have exercised due diligence to prevent the commission of the offence. For example, the court may consider whether an MC has tried to explore with other insurance companies for a lower premium or made an effort to demolish the UBWs.

31. Hon James TO is concerned that an MC may claim to have exercised due diligence to comply with the new mandatory requirement once the MC has put forward the procurement proposal to the meeting of the corporation even though the motion is voted down by the OC. The Administration has advised that, whether the MC has exercised reasonable diligence in procuring the insurance is subject to the court's decision having regard to the particular circumstances of the case. Mr TO has suggested that, to plug any possible loophole, the Administration should consider imposing penalty on an OC in the next phase of implementation, in addition to the MC concerned, for failure to procure third party risks insurance in respect of the common parts of its building. Hon CHOY So-yuk has suggested that an MC should be empowered to procure the third party risks insurance even though the

procurement proposal has been voted down at an owners' meeting, as it is the MC's statutory duty to do so.

Anti-avoidance provision

32. Section 6(3) of the Regulation provides that, if the insurance policy purports to restrict the insurance of an OC by reference to the condition or maintenance of the building, the use of the building and the existence of a statutory instrument in relation to the building, such restrictions will be of no effect, unless the policy also requires the OC to exercise reasonable diligence and that the death or bodily injury that gives rise to the liability is directly caused by the OC's contravention of that requirement. The legal adviser to the Subcommittee has advised the Subcommittee that any sum paid by an insurance company in the discharge of any liability of the assured corporation which is covered by the policy by virtue only of section 6(1) is recoverable by the insurance company from the assured corporation.

33. Members have raised queries over the circumstances under which an OC may be considered as having failed to exercise reasonable diligence. They are concerned that an insurance company may easily refuse to pay compensation to third parties under the mandatory insurance policy of an OC on the ground that the OC has not exercised reasonable diligence to keep the building concerned in good condition and maintenance; to ensure compliance with the deed of mutual covenant concerned in relation to the use of that building; or to comply with any statutory instrument in relation to that building. They have suggested that, for the purpose of offering better protection for third parties, an anti-avoidance provision similar to the relevant provision of the Motor Vehicles Insurance (Third Party Risks) Ordinance (Cap. 272) should be included in the Regulation.

34. The Administration has informed the Subcommittee that, to address the concern of the Bills Committee on Building Management (Amendment) Bill 2005 over the definition of the term "reasonable diligence", the Administration has included a new provision in the Regulation, i.e. section 6(4). According to this new provision, an OC is considered as having exercised reasonable diligence unless it recognizes a situation that requires measures to be taken and yet, does not take measures or takes measures that it knows to be inadequate, or it is reckless as to whether measures or adequate measures are taken. In other words, for there to be breach of the requirement of reasonable diligence, the OC’s conduct must have been reckless, in the sense that it has recognized the danger and the need to take measures and yet does not care whether or not measures are taken and the danger is averted.

35. The Administration has further explained that, for the restrictions in the insurance policy to be effective, it is not enough to just claim that the OC has not exercised reasonable diligence, but it also has to be proved that the death or bodily injury that gives rise to the liability is directly caused by the OC's

contravention of the requirement to exercise reasonable diligence. This means that, even if the OC has not exercised reasonable diligence to keep certain parts of a building in good condition and maintenance, the insurance of the OC in relation to other parts of the building will not be affected.

36. The Federation has also advised the Subcommittee that it is already a common practice for the existing third party risks insurance policy to have a clause requiring the assured to exercise reasonable diligence to keep the building in a good condition. The Federation is concerned that, if an insurance company is required to pay compensation to the third party even though the OC has failed to exercise reasonable diligence to keep the building in good condition, some OCs may not make an effort to keep the buildings in good condition once they have procured an insurance policy. Moreover, it may increase the number of claims and the risks borne by the insurance companies and in turn would cause the average insurance premium in the market to raise.

37. Notwithstanding the Administration's explanation about the operation of section 6(3) and (4) and the Federation's concern, members remain concerned that the interpretation of the phrase "to exercise reasonable diligence" would be subject to argument and numerous legal disputes would arise. As a result, there would be delay for third parties to receive judgment compensation. They are of the view that an insurance company should settle the judgment compensation to the injured third party under all circumstances up to the policy amount and may recover the amount so paid from the OC afterwards in the case where the OC has not exercised reasonable diligence.

38. Having considered members' strong views on the matter, the Administration has agreed to repeal section 6(3) and (4) of the Regulation and will make corresponding amendments to section 6.

39. Hon James TO has queried whether the definition of "statutory instrument" includes warning notices issued by BD which may be registered in the Land Registry if the maintenance or alteration work is not carried out. He considers that the scope of definition should be as wide as possible under the Regulation for the sake of protecting OCs.

40. The Administration has explained that, under section 2 of the Regulation, "statutory instrument", in relation to a building, is defined as an order, notice or direction issued under an Ordinance that requires any maintenance, improvement, repair or demolition work to be carried out in relation to the building; any fire safety installation or improvement work to be carried out in relation to the building; or any relevant person to be appointed to carry out investigation in relation to the building. In the light of Mr TO's query, the Administration has agreed to amend the definition of "statutory instrument" to clarify its intention that such warning notices issued by BD

under the Buildings Ordinance (Cap. 123) should be considered as a statutory instrument.

Non-disclosure of a material fact under section 9(5)

41. The Subcommittee notes that section 9(5), which is modelled on section 10(3) of the Motor Vehicles Insurance (Third Party Risks) Ordinance provides that an insurance company is not required to satisfy a judgment under section 8 if it has obtained a declaration, from the court in an action commenced in the stipulated period, that it is entitled to avoid the insurance policy on the ground that the policy was obtained by the non-disclosure of a material fact or by a representation of fact which was false in some material particulars. The Administration has explained that, according to section 9(7), "material" means of such a nature as to influence the judgment of a prudent insurance company in determining whether it will take the risk, and if so, at what premium and on what conditions.

42. Some members including Hon James TO and Hon Audrey EU have expressed concern that an insurance company may also refuse to pay compensation to third parties under the mandatory insurance policy of an OC on the ground that the OC has failed to disclose a material fact. They consider that an OC may not know about the existence of a UBW and hence make a false statement in procuring an insurance policy to the insurance company.

43. The Administration has pointed out that, at the common law, an insurance company may already avoid an insurance policy which is obtained by non-disclosure or misrepresentation of a material fact. Under the law of contract, a misstatement by one party by which the other is inducted to enter into a contract will generally entitle the latter to avoid the contract. Section 9(5) is similar to existing common law position.

44. The Administration has also advised that, according to the Federation, different insurance companies may require different types of information in considering the application. However, in general, OCs will be required to provide information such as the location of the building, the age of the building, the use of the building, the number of blocks/storeys/flats in the building, whether there is management company, whether there are any club house or swimming pool, whether there is any illegal structure, whether there is any lift etc. If the OC is uncertain about whether there are UBWs in the building, it should inform the insurance company that it does not know or is unsure about whether there are UBWs in the building. Such a statement does not amount to non-disclosure or misrepresentation of facts.

45. In response to members' concern about whether there is adequate protection for the interests of third parties, the Administration has further explained that it is stipulated under section 9(5) that the insurance company has

the burden to successfully obtain a declaration from the court before it can avoid the policy. It is therefore for the court to decide whether there is a non-disclosure or misrepresentation of a material fact to the extent that it warrants the avoidance of the insurance policy by the insurance company. The insurance company cannot unilaterally declare that the policy was obtained by non-disclosure or misrepresentation of a material fact and thus refuse to satisfy judgments in respect of third party risks under section 8 of the Regulation. In addition, section 9(6) provides that the insurance company is not entitled to the benefit of section 9(5) unless it has given notice of the action to the third party concerned before, or within seven days after, the commencement of the action. The notice has to specify the non-disclosure or false representation on which the insurance company proposes to rely. The third party concerned is entitled to be made a party of such action.

46. Hon James TO has queried why section 9(5) cannot be repealed to allow simply the application of the common law principle referred to in paragraph 43. The Administration has explained that section 8 as presently worded has imposed a very strict duty on insurance companies. It is considered appropriate to include an express provision, i.e. section 9(5), in the Regulation for the purpose of striking a right balance.

Notice of insurance

47. The Subcommittee notes that a corporation under section 5(3) shall as soon as practicable after being issued a notice of insurance in respect of a policy, display the notice in a prominent place in the building to which the policy relates; and so display the notice as long as the policy is in effect. Every member of the MC of the corporation is guilty of an offence and is liable on conviction to a fine at level 2 ($5,000) under section 5(7) if the corporation fails to do so. Hon WONG Kwok-hing is of the view that the penalty is too severe.

48. The Administration has explained that the purpose of this provision is to allow the owners of the building to check whether an OC has procured the mandatory third party risks insurance policy. If an OC contravenes the requirement, every member of the MC concerned is guilty of an offence and is liable on conviction to a fine at level 2. Should an MC member prove that the offence was committed without his consent or connivance; and that he has exercised all such due diligence to prevent the contravention as he ought to have exercised in the circumstances, he will not be guilty of the offence.

49. Members note that, in accordance with section 11(1) of BMO, an MC is required to display a copy of the certificate of registration of the OC in a prominent place in the building. As stipulated in section 11(3) of BMO, in the event of a contravention of this requirement, every member of the MC shall be guilty of an offence and shall be liable on conviction to a fine of $50 unless he

proves that the offence was committed without his consent or connivance and that he has exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in having regard to the nature of his functions in that capacity and to all the circumstances.

50. Hon James TO is of the view that, given the fact that the Administration has not proposed to increase the level of fine at $50 for an MC's failure to display a copy of the certificate of registration of an OC in the legislative exercise of enacting the Building Management (Amendment) Ordinance 2007, it should not impose such a high level of fine for failure to display the notice of insurance in respect of the new mandatory requirement to procure third party risks insurance. He considers that a fine at level 1, i.e. $2,000, should be adequate as an initial step to achieve the deterrent effect.

51. Having considered members' view and suggestion, the Administration has agreed to amend section 5(7) to lower the level of fine to "level 1". The Administration will also make a technical amendment to repeal the words "issued to it" in section 5(4) of the Regulation.

**Amendments to be proposed by the Administration**

52. The amendments to be proposed by the Administration are in **Appendix III**. The Subcommittee raises no objection to these amendments.

**Recommendation**

53. Subject to the amendments to be proposed by the Administration to the Regulation, the Subcommittee supports the Building Management (Third Party Risks Insurance) Regulation.

**Advice sought**

54. Members are invited to note the deliberations of the Subcommittee.

Council Business Division 2
Legislative Council Secretariat
1 November 2007

**Appendix I**

# Subcommittee on Building Management (Third Party Risks Insurance) Regulation

## Membership list

| | |
|---|---|
| Chairman | Hon James TO Kun-sun |
| Members | Hon Albert HO Chun-yan<br>Hon Bernard CHAN, GBS, JP<br>Hon Jasper TSANG Yok-sing, GBS, JP<br>Hon Miriam LAU Kin-yee, GBS, JP<br>Hon CHOY So-yuk, JP<br>Hon Audrey EU Yuet-mee, SC, JP<br>Hon WONG Kwok-hing, MH<br>Hon TAM Heung-man<br><br>(Total : 9 Members) |
| Clerk | Miss Flora TAI |
| Legal Adviser | Mr Stephen LAM |
| Date | 12 October 2007 |

**Appendix II**

**Subcommittee on Building Management**
**(Third Party Risks Insurance) Regulation**

List of organisations which have submitted written views to the Subcommittee

1. The Hong Kong Association of Property Management Companies
2. The Chartered Institute of Housing Asian Pacific Branch
3. The Housing Managers Registration Board
4. The Hong Kong Housing Society
5. The Hong Kong Institute of Housing
6. Hong Kong Institute of Real Estate Administration
7. The Hong Kong Institute of Surveyors
8. The Real Estate Developers Association of Hong Kong
9. The Swire Properties Limited

**Appendix III**

# INTERPRETATION AND GENERAL CLAUSES ORDINANCE

## RESOLUTION OF THE LEGISLATIVE COUNCIL

## BUILDING MANAGEMENT (THIRD PARTY RISKS INSURANCE) REGULATION

Resolution made and passed by the Legislative Council under section 34(2) of the Interpretation and General Clauses Ordinance (Cap. 1) on 2007.

RESOLVED that the Building Management (Third Party Risks Insurance) Regulation, published in the Gazette as Legal Notice No. 146 of 2007 and laid on the table of the Legislative Council on 11 July 2007, be amended –

(*a*) in section 2, by repealing the definition of "statutory instrument" and substituting –

""statutory instrument" (法定文書), in relation to a building, means –

(*a*) an order, notice or direction issued under an Ordinance requiring –

(i) any maintenance, improvement, alteration, repair or demolition work to be carried out in relation to the building;

(ii) any fire safety installation or improvement work to be carried out in relation to the building; or

(iii) any relevant person to be appointed to carry out investigation in relation to the building; or

(*b*) a notice or direction issued under an Ordinance specifying that the notice or direction will be registered in the Land Registry if any maintenance, improvement, alteration, repair or demolition work, or any fire safety installation or improvement work, is not carried out in relation to the building before a particular date;";

(*b*) in section 5(4), by repealing "issued to it";

(*c*) in section 5(7), by repealing "level 2" and substituting "level 1";

(*d*) in section 6(1), by repealing "Subject to subsection (3), so" and substituting "So";

(*e*) by repealing section 6(3) and (4);

(*f*) by renumbering section 6(5), (6), (7) and (8) as section 6(3), (4), (5) and (6) respectively;

(*g*) in section 6(6), by repealing "(7)" and substituting "(5)".

Clerk to the Legislative Council

2007