

For discussion on  
18 March 2011

## **Legislative Council Panel on Home Affairs**

### **Monitoring of Unlicensed Hotels and Guesthouses**

#### **Purpose**

This paper briefs Members on the measures taken by the Office of the Licensing Authority (OLA) to combat unlicensed hotels and guesthouses.

#### **Background**

2. Unlicensed hotels and guesthouses pose safety hazards to patrons and residents of the buildings concerned. They should not be tolerated. The OLA under the Home Affairs Department (HAD) is responsible for the administration of the Hotel and Guesthouse Accommodation Ordinance (the Ordinance) (Cap.349), including issuing licences and taking enforcement actions. Under the Ordinance, anyone who operates an unlicensed hotel or guesthouse commits a criminal offence and is liable on conviction to a fine of \$200,000 and imprisonment for two years, and to a fine of \$20,000 for each day during which the offence continues.

#### **Measures to Tackle Unlicensed Hotel and Guesthouse Operation**

3. The OLA has adopted a two-pronged approach to combat unlicensed hotels and guesthouses by strengthening law enforcement actions on one hand and stepping up publicity and providing information to encourage and facilitate visitors to patronise licensed accommodation on the other.

#### **Law Enforcement**

4. The OLA has strengthened law enforcement actions against unlicensed hotels and guesthouses. The OLA conducts joint blitz operations with the Police and regular inspections against suspected unlicensed hotels and guesthouses. Upon receipt of a complaint on a suspected unlicensed hotel or guesthouse, the OLA will inspect the premises. Having regard to the circumstances of individual cases, the OLA will deploy different modes of

inspection with a view to collecting evidence for prosecution against suspected unlicensed hotels or guesthouses operators. These include proactive inspections during and outside office hours (e.g. at nights, during and before holidays) and collecting evidence by posing as clients (commonly known as “snaking”) when necessary. If investigation shows that there is prima facie evidence indicating unlicensed operation of a hotel or guesthouse, it will seek legal advice on appropriate actions for prosecution. The number of complaints received and prosecution and conviction instituted against unlicensed hotel and guesthouse operation in the past two years are set out as follows –

	<b>2009</b>	<b>2010</b>
<b>Complaint</b>	445	366
<b>Prosecution</b>	39	38
<b>Conviction</b>	36	44

5. To further strengthen the enforcement actions, the OLA conducts special operations against unlicensed hotels and guesthouses before long holidays. For instance, in the run-up to the Chinese New Year in 2011, the OLA conducted a series of enforcement operation including inter-departmental joint operation with the Police and decoy operations against unlicensed hotels and guesthouses. The number of inspection, prosecution and conviction instituted against unlicensed hotels and guesthouses under this special operation are as follows –

	<b>Inspection</b>	<b>Prosecution</b>	<b>Conviction</b>
<b>As at 28.2.2011</b>	56	7	3

6. The OLA adopts a stringent policy to tackle the problem of shadow guesthouses, i.e. a licence holder making use of his licensed premises for unlicensed guesthouse operation. Upon an operator’s conviction of the offence of unlicensed guesthouse operation, the OLA will consider cancelling or refusing to renew all licence(s) issued in respect of the operator concerned.

7. The OLA has set up a hotline (tel. no. 2881 7498) and uploaded a report form on its website ([www.hadla.gov.hk](http://www.hadla.gov.hk)) to facilitate reporting of suspected illegal operation of hotels and guesthouses by members of the public. Anyone who comes across any illegal hotel and guesthouse operation, he/she should report it to the hotline of OLA, by e-mail ([hadlaenq@had.gov.hk](mailto:hadlaenq@had.gov.hk)) or by fax (2504 5805) using the report form downloaded from OLA’s website. The

OLA will continue to expand its intelligence network and play an active role in inter-departmental operations jointly organised by the Police and relevant departments.

## Publicity

### *The Licensed Guesthouse Logo Scheme*

8. Apart from law enforcement, it is important to enhance tourists' awareness of choosing licensed accommodation when planning their trips to Hong Kong. In September 2009, the OLA launched the Licensed Guesthouse Logo Scheme which requires all licensed guesthouses to display the new logo at the main entrance and on the doors of all guestrooms to help tourists identify premises which have been licensed under the Ordinance. The OLA has also included the display of the logo as a licensing condition. To widely publicize the Scheme, announcements of public interests (API) are broadcast on television and radio and the API are broadcast more frequently before long holidays.

9. Posters/banners are displayed at suspected unlicensed hotel and guesthouse black spots and immigration control points to call on tourists to patronise licensed accommodation. OLA's website has been revamped with the introduction of a search engine for tourists to easily search for licensed hotels and guesthouses and obtain a list of licensed hotels and guesthouses from the website ([www.hadla.gov.hk](http://www.hadla.gov.hk)). OLA staff have also met with the Owners' Corporations of some target buildings to introduce the new search function and encourage them to post a list of licensed hotels and guesthouses in their buildings for easy identification.

### *Cooperation with the Tourism Commission and the Hong Kong Tourism Board*

10. The Tourism Commission (TC) and the Hong Kong Tourism Board (HKTB) have joined hands with the OLA to encourage tourists to patronise licensed hotels and guesthouses. The Consumer Council has included the message of 'not to patronise unlicensed guesthouses' along with information on HKTB's Quality Tourism Services (QTS) Visitor Accommodation Scheme (elaborated in para. 11 below) in the 'Shop Smart' website designed for Mainland visitors. TC has also conveyed the message that visitors should pay attention to whether guesthouses possess valid licenses when selecting their accommodation in its on-going liaison with the Mainland tourism authorities.

The Licensed Guesthouse Logo Scheme with hyperlinks to the OLA's website has been uploaded onto the welcoming page of TC's website and the page on accommodation information of HKTB's website.

11. Under the QTS Visitor Accommodation Scheme, which aims to facilitate tourists to find proper budget accommodation, the HKTB has adopted a prudent approach in accrediting visitor accommodation to ensure that the QTS-accredited visitor accommodation must maintain the highest possible service standards. The OLA has been assisting in distributing the QTS Visitor Accommodation Scheme leaflets to licensed accommodation operators to encourage them to join the scheme.

### **Advice Sought**

12. Members are invited to note the above measures taken by the OLA in combating unlicensed hotels and guesthouses.

Home Affairs Department  
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