

Press Release

**OFTA Welcomes the
Industry Code of Practice for Telecommunications Service Contracts
to Enhance Consumer Protection**

The Office of the Telecommunications Authority (“OFTA”) today (21 December 2010) welcomes the efforts of the Communications Association of Hong Kong (“CAHK”) in promulgating an Industry Code of Practice for Telecommunications Service Contracts (the “Industry Code”) for adoption by the telecommunications industry.

The Industry Code serves as guidelines for the telecommunications industry in drawing up contracts on telecommunications services with its customers.

“OFTA welcomes the efforts of the CAHK and the participating telecommunications service providers in formulating the Industry Code. OFTA fully supports this collaborative action of the industry to adopt a harmonised practice for drawing up contracts on telecommunications services that is fair, balanced and reasonable for both the consumers and the industry. This initiative demonstrates the responsiveness of the industry in addressing the needs and expectations of the telecommunications service users,” a spokesperson of OFTA said.

“OFTA is pleased to learn that all the major fixed and mobile network operators and one major external telecommunications services operator have agreed to follow the Industry Code and will implement the necessary measures in the coming three to six months in preparation for their full adoption of the provisions of the Industry Code for all new contracts in future,” continued the spokesperson.

“OFTA considers that the implementation of the Industry Code an important milestone for the telecommunications industry to reinforce consumers confidence in good sales and customer service practices and to build up a credible reputation for the industry,” added the spokesperson.

“The implementation of the Industry Code represents the proactive efforts of the telecommunications industry to enhance consumer interests. The Code

includes requirement which aligns with the Government’s recent legislative proposal to enhance consumer protection against unfair trade practices through amendments to the Trade Descriptions Ordinance,” the spokesperson said.

The spokesperson said that OFTA is confident that the implementation of the Industry Code will go a long way towards addressing effectively contractual related complaints and disputes.

“OFTA will monitor the implementation of the Industry Code and maintain close dialogue with the industry on need for further enhancement in future, taking into account the experience in enforcing the Code, the complaint statistics and the progress of Government’s proposed legislative amendments to the Trade Descriptions Ordinance,” the spokesperson emphasized.

Background

With a view to protecting consumers’ interest and addressing consumer complaints on contractual matters for communications services, OFTA issued a code of practice on the subject in February this year. The code of practice aims to provide the industry with guidelines on the drawing up of communications service contracts on a voluntary compliance basis. OFTA notes that, in drawing up the Industry Code, CAHK has made close reference to the code of practice issued by OFTA and has incorporated the key measures that OFTA has recommended, taking into account the circumstances specific to the telecommunications industry, the expectations of consumers, and the legislative proposals that have been put out for consultation by Government to tackle unfair trade practices.

The full text of the Industry Code issued by CAHK may be downloaded from CAHK’s website at http://www.cahk.hk/News/310/Industry_CoP_Telecom_Service_Contract.pdf and OFTA’s website at http://www.ofta.gov.hk/en/ca_bd/Industry_CoP_Telecom_Service_Contract.pdf.

Office of the Telecommunications Authority
21 December 2010



PRESS RELEASE
FOR IMMEDIATE RELEASE

CAHK issues Code of Practice for Telecommunications Service Contracts

(Hong Kong – December 21, 2010) The Communications Association of Hong Kong (CAHK) has issued a Code of Practice for Telecommunications Service Contracts (the Code) to increase transparency in the contracting process and customer satisfaction.

The Code demonstrates the industry's concerted efforts to address the core concerns that have been raised by residential/individual consumers and the Office of the Telecommunications Authority (OFTA). All fixed-line and mobile telecommunications service providers who are members of CAHK have agreed to adopt this voluntary industry code (Note 1).

Implementation of the Code will significantly enhance the existing contract forms, sales practices, and subsequent arrangements ranging from renewals to terminations. In particular:

- Improve the clarity of information on services and charges incurred and provisions in contracts.
- Customers will be provided with written confirmation of verbal agreements for services.
- A cooling-off period will apply for contracts entered into during unsolicited visits to customer homes.
- Contract terminations, renewals, extensions and replacements are all made more transparent and simpler.
- No automatic renewal of contract unless prior agreement by customer is obtained.
- Customers may terminate a contract early when certain conditions occur, e.g. significant changes in terms and conditions.
- There will be greater consumer protection relating to service relocation requests.

The spokesperson of CAHK said, “The Code is a solid proof that the industry is willing to make a genuine effort in working with OFTA to strengthen the protection of consumer interests in relation to contractual matters. In promulgating this Code, we have incorporated the key features of the voluntary Code of Practice issued earlier this year by OFTA, having taken into account the actual operating environment of the industry and the needs of consumers.”

Note to editors:

Note 1: Telecom service providers who will adopt the Code include: China Mobile Hong Kong Co. Ltd, City Telecom (HK) Limited, CSL Limited, Hong Kong Broadband Network Limited, Hutchison Telecommunications Hong Kong Holdings Limited, i-CABLE, New World Mobility Limited, New World Telecommunications Limited, PCCW, SmarTone-Vodafone and Wharf T&T. Operators will decide their implementation timetable as appropriate and state their adoption of the code on their respective websites.

About Communications Association of Hong Kong (CAHK)

CAHK (formerly known as Internet & Telecom Association of Hong Kong (2000-2006), Telecom Association of Hong Kong (1995-2000), Hong Kong Telecom Association (1983-1995) is a non-profit making organisation incorporated on 27 May 1983 following the announcement of deregulation of the communication products and services. CAHK is the association for Hong Kong's communications industries, with responsibilities across broadcasting, wireline and wireless communications, and other relevant business sectors in the domain of information communications technology (ICT).

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