

**立法會**  
**Legislative Council**

LC Paper No. CB(2)2356/13-14  
(These minutes have been seen  
by the Administration)

Ref : CB2/BC/7/13

**Bills Committee on Property Management Services Bill**

**Minutes of the 2<sup>nd</sup> meeting**  
**held on Wednesday, 23 July 2014, at 9:00 am**  
**in Conference Room 1 of the Legislative Council Complex**

- Members present** : Hon Tony TSE Wai-chuen, BBS (Chairman)  
Hon WU Chi-wai, MH (Deputy Chairman)  
Hon James TO Kun-sun  
Hon Abraham SHEK Lai-him, GBS, JP  
Hon WONG Kwok-hing, BBS, MH  
Hon Cyd HO Sau-lan, JP  
Hon CHAN Kin-por, BBS, JP  
Hon CHEUNG Kwok-che  
Hon Alan LEONG Kah-kit, SC  
Hon WONG Yuk-man  
Hon Claudia MO  
Hon Frankie YICK Chi-ming  
Hon LEUNG Che-cheung, BBS, MH, JP  
Hon Alice MAK Mei-kuen, JP  
Hon KWOK Wai-keung  
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Member attending** : Dr Hon Kenneth CHAN Ka-lok
- Members absent** : Hon Starry LEE Wai-king, JP  
Hon IP Kwok-him, GBS, JP  
Hon Steven HO Chun-yin

**Public Officers : Items I and II**  
**attending**

Mrs Pamela TAN KAM Mi-wah, JP  
Director of Home Affairs

Miss Linda LEUNG Ka-ying  
Assistant Director of Home Affairs (5)

Mr Michael LAM Siu-chung  
Senior Assistant Law Draftsman  
Department of Justice

Miss Cindy CHEUK Chi-wing  
Government Counsel  
Department of Justice

**Attendance : Item I**  
**by invitation**

Civic Party

Mr Alvin YEUNG Ngok-kiu  
Exco Member

Individual

Ms Amy YUNG Wing-sheung  
Islands District Council Member

The Hong Kong Institute of Housing

Mr Ellis IP Chi-ming  
President

Housing Managers Registration Board

Dr Johnnie Casire CHAN Chi-kau  
Chairman

The Hong Kong Association of Property  
Management Companies

Mr Ivan TAM  
President

Greater China Institute of Property Management

Dr FUNG Kwok-hung  
President

The Incorporated Owners of Fung Wah Estate

Mr WONG Kam-tong  
Chairman

The Incorporated Owners of Fu Tor Loy Sun Chuen (Phase 1)

Mr LAU Ming-sum  
Chairman

Royal Institution of Chartered Surveyors Hong Kong

Mr Kendrew LEUNG  
Facilities Management & Management Consultancy  
Professional Group Committee Chairman

The Hong Kong Institute of Facility Management Ltd.

Dr Eric CHAN  
Director of Corporate Affairs

Chartered Institute of Housing Asian Pacific Branch

Mr Bonny CHIU Sin-hung  
Chair of Professional Practice Committee

The Hong Kong Institute of Surveyors

Mr Gary M K YEUNG  
Past Chairman, Property and Facility Management Division

Labour Party

Mr CHIU Yan-loy  
Representative

Individual

Ms Edith LEE

宏景花園關注組

Mr LEUNG Lap-sun  
Representative

MTR Corporation Limited

Ms Sandy FUNG Tsui-shan  
Property Support Manager

The Property Owners Anti-Bid Rigging Alliance

Mr LAM Cheuk-ting  
Spokesman

The Democratic Party

Mr WAN Siu-kin  
Deputy Spokesmen on Housing Policy

Individual

Mr MAN Chi-wah

The Federation of Hong Kong Property  
Management Industry Limited

Mr Davis WONG  
Vice President

Liberal Party Youth Committee

Mr Harris YEUNG  
Member

Hong Kong Institute of Real Estate Administrators

Mr Andy CHAN Chi-keung  
Council Member

**Clerk in attendance** : Ms Alice LEUNG  
Chief Council Secretary (2) 2

**Staff in attendance** : Mr Bonny LOO  
Assistant Legal Adviser 3

Miss Josephine SO  
Senior Council Secretary (2) 6

Miss Emma CHEUNG  
Legislative Assistant (2) 2

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**I. Meeting with deputations and the Administration**

The Bills Committee deliberated (index of proceedings attached at **Annex**).

2. The Bills Committee received views from 22 deputations/ individuals attending the meeting (see **Annex**), and noted four written submissions from other individuals who did not attend the meeting (LC Paper Nos. CB(2)2089/13-14(03)&(04) and CB(2)2116/13-14(04)&(05)).

Follow-up actions required of the Administration

Admin

3. The Administration was requested to provide, in writing, a consolidated response to views and concerns expressed by deputations in respect of -

- (a) various policy aspects of the Property Management Services Bill ("the Bill") as listed in **Appendix I**; and
- (b) the specific clauses of the Bill as tabulated at **Appendix II**.

**II. Meeting with the Administration**

(File Ref.: HAD HQ CR/20/3/5(C), LC Paper No. CB(3)583/13-14, LS53/13-14, CB(2)1761/13-14(02) to (04), CB(2)2014/13-14(01) and CB(2)1965/13-14(01))

Admin

4. The Administration was requested to provide a written response to the following issues raised by members -

- (a) noting that certain categories of entities (such as Owners' Corporations and other forms of owners' organizations managing their own properties; or owners of the properties who provided property management services by themselves, if they were individuals and did not provide any property

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management services to another property for profit) would not be subject to the licensing regime and hence not required to obtain property management company ("PMC") licences, members sought information on the estimated total number of buildings which were managed by such entities/persons and also those "three-nil" buildings without any form of owners' organizations and without engaging PMCs; and

- (b) members noted that Schedule 1 to the Bill set out the categories of property management services and "General management services relating to a property" was one of the seven defined categories of services. There was a view that the above definition was unclear, and it was suggested that the Administration should refine the wording, so as to clearly specify the scope of services referred to.

**III. Any other business**

- 5. There being no other business, the meeting ended at 12:00 noon.

Council Business Division 2  
Legislative Council Secretariat  
29 September 2014

**Proceedings of the 2<sup>nd</sup> meeting of the  
Bills Committee on Property Management Services Bill  
on Wednesday, 23 July 2014, at 9:00 am  
in Conference Room 1 of the Legislative Council Complex**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
<i><b>Item I - Meeting with deputations and the Administration</b></i>			
000137 - 000701	Chairman	The Chairman's opening remarks	
000702 - 001004	Chairman Mr Alvin YEUNG Ngok-kiu, Civic Party	Presentation of views (LC Paper No. CB(2)2116/13-14(01))	
001005 - 001328	Chairman Ms Amy YUNG Wing- sheung, Islands District Council Member	Presentation of views (LC Paper No. CB(2)2060/13-14(01))	
001329 - 001658	Chairman Mr Ellis IP Chi-ming, The Hong Kong Institute of Housing	Presentation of views (LC Paper Nos. CB(2)2060/13-14(02) and (03))	
001659 - 001940	Chairman Dr Johnnie Casire CHAN Chi-kau, Housing Managers Registration Board	Presentation of views (LC Paper Nos. CB(2)2060/13-14(03) and (04))	
001941 - 002250	Chairman Mr Ivan TAM, The Hong Kong Association of Property Management Companies	Presentation of views (LC Paper Nos. CB(2)2060/13-14(03) and (05))	
002251 - 002620	Chairman Dr FUNG Kwok-hung, Greater China Institute of Property Management	Presentation of views (LC Paper No. CB(2)2060/13-14(06))	
002621 - 002940	Chairman Mr WONG Kam-tong, The Incorporated Owners of Fung Wah Estate	Presentation of views (LC Paper No. CB(2)2060/13-14(07))	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
002941 - 003252	Chairman Mr LAU Ming-sum, The Incorporated Owners of Fu Tor Loy Sun Chuen (Phase 1)	Presentation of views (LC Paper No. CB(2)2089/13-14(01))	
003253 - 003459	Chairman Mr Kendrew LEUNG, Royal Institution of Chartered Surveyors Hong Kong	Presentation of views (LC Paper No. CB(2)2060/13-14(03))	
003500 - 003814	Chairman Dr Eric CHAN, The Hong Kong Institute of Facility Management Ltd.	Presentation of views (LC Paper Nos. CB(2)2060/13-14(03) and CB(2)2089/13-14(02))	
003815 - 004128	Chairman Mr Bonny CHIU Sin-hung, Chartered Institute of Housing Asian Pacific Branch	Presentation of views (LC Paper Nos. CB(2)2060/13-14(03) and (08))	
004129 - 004426	Chairman Mr Gary M K YEUNG, The Hong Kong Institute of Surveyors ("HKIS")	Presentation of views (LC Paper Nos. CB(2)2060/13-14(03) and (09))	
004427 - 004736	Chairman Mr CHIU Yan-loy, Labour Party	Expression of support for the Property Management Services Bill ("the Bill"), in particular, the proposed regulatory regime for property management companies ("PMCs") which would help eliminate unethical acts or malpractice of PMCs.	
004737 - 005118	Chairman Ms Edith LEE	Expression of support for the proposed regulation of PMCs through the establishment of a statutory licensing regime, and the view that property owners should have representation on the new Property Management Services Authority ("PMSA") (LC Paper No. CB(2)2155/13-14(01)).	
005119 - 005426	Chairman Mr LEUNG Lap-sun, 宏景花園關注組	Presentation of views (LC Paper No. CB(2)2116/13-14(02))	

Time marker	Speaker	Subject(s)	Action Required
005427 - 005441	Chairman Ms Sandy FUNG Tsui-shan, MTR Corporation Limited	Presentation of views (LC Paper No. CB(2)2060/13-14(10))	
005442 - 005755	Chairman Mr LAM Cheuk-ting, The Property Owners Anti-Bid Rigging Alliance	Presentation of views (LC Paper No. CB(2)2116/13-14(03))	
005756 - 010114	Chairman Mr WAN Siu-kin, The Democratic Party	<p>Expression of support for the Bill and suggestions that the Administration should -</p> <ul style="list-style-type: none"> <li>(a) require licensed PMCs and property management practitioners ("PMPs") to observe and follow the relevant Codes of Practice issued under the Building Management Ordinance (Cap. 344) ("BMO") for achieving effective building management and maintenance;</li> <li>(b) draw up the draft code of conduct for compliance by PMCs and PMPs and kick-start the consultation process with the Legislative Council ("LegCo") and the public as early as possible;</li> <li>(c) ensure the adequate provision of vocational/professional training to prepare existing in-service PMPs for the full implementation of the licensing regime; and</li> <li>(d) consider whether PMSA would also provide support services to assist Owners' corporations ("OCs") and owners' committees in discharging their building management responsibilities as PMSA would have 60 staff members.</li> </ul>	
010115 - 010434	Chairman Mr MAN Chi-wah	Regarding Clause 7 of the Bill under which OCs and other forms of owners' organizations which managed their own properties would fall outside the scope of the licensing regime, Mr MAN Chi-wah expressed concern as to whether it would create loopholes for people to circumvent the legislation. He suggested that the Administration should specify the circumstances for getting exemption and set a limit on the maximum number of property units (e.g. no more than 40 units) that could be managed by an exempted OC	

Time marker	Speaker	Subject(s)	Action Required
		or owners' organization.	
010435 - 010742	Chairman Mr Davis WONG, The Federation of Hong Kong Property Management Industry Limited	Presentation of views (LC Paper No. CB(2)2060/13-14(11))	
010743 - 011124	Chairman Mr Andy CHAN Chi- keung, Hong Kong Institute of Real Estate Administrators	Presentation of views (LC Paper No. CB(2)2060/13-14(12))	
011125 - 012909	Chairman Admin	<p>The Administration's consolidated responses to views and concerns expressed by deputations -</p> <p>(a) the object of the Bill was to introduce a statutory licensing regime to regulate and control the provision of property management services by PMCs and PMPs, through establishing PMSA;</p> <p>(b) the detailed licensing criteria for PMCs and PMPs would be set out in the subsidiary legislation. The Administration would take into account the views of the stakeholders and the Advisory Committee on the Regulation of Property Management Industry in formulating the details, including exemption arrangements;</p> <p>(c) to facilitate consumers in making informed choices on PMCs under the licensing regime, licensed PMCs would be required to provide certain essential information to PMSA for uploading onto its website for public access. PMSA would maintain registers of PMCs and PMPs which would be made available for public inspection. Conviction records of non-compliant PMCs and PMPs in relation to disciplinary or criminal offences would be published in the registers;</p> <p>(d) as disputes between PMCs and property owners were often related to financial management matters, specific requirements in relation to the preparation of budget, keeping of financial statements for clients, etc. would be specified in the subsidiary legislation and the code of conduct. PMCs would have a</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>statutory obligation to disclose specified information, including any perceived potential conflict of interest, to their clients;</p> <p>(e) regarding the composition of PMSA, its chairperson and members were to be appointed by the Chief Executive. To enable PMSA to discharge its role and responsibilities effectively and impartially, different categories of stakeholders, including PMPs, would be suitably represented in PMSA so as to strike a balance between protecting the interest of the industry, the practitioners, and those of the property owners and the public at large;</p> <p>(f) PMSA would be empowered to undertake self-initiated investigation as well as to conduct investigation upon receipt of complaints. An appeal panel would be established to deal with appeals lodged by persons who were aggrieved by the decisions of PMSA. Part 6 of the Bill provided for the establishment of an appeal panel and appeal tribunals for hearing such appeals, the power that the appeal tribunal might exercise when hearing an appeal, and the related offences;</p> <p>(g) the Administration proposed to allow a three-year transitional period after the enactment of the principal ordinance and subsidiary legislation, so as to allow experienced PMPs with lower level of formal qualifications to adapt to the new licensing system. Experienced PMPs meeting certain basic requirements would be granted provisional licences during the transitional period. They would be allowed three years after they had obtained the provisional licences to complete continuing professional development ("CPD") courses so that they could be granted formal licences upon expiry of the provisional licences. However, the Administration did not rule out the possibility that PMSA would make alternative arrangement (other than CPD course) to facilitate experienced PMPs in meeting the licensing requirements;</p> <p>(h) the qualification requirements for licensed PMPs (Tier 1), who might describe themselves as "registered professional property</p>	

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		<p>managers", would be higher than those for licensed PMPs (Tier 2), who might describe themselves as "licensed property management officers". PMSA would liaise with industry organizations and local tertiary institutions to ensure that sufficient courses would be provided to PMPs to meet the licensing requirements;</p> <p>(i) while the introduction of the new regulatory regime aimed to raise the service quality and professionalism of the industry, it was not meant to jeopardize the survival of small and medium-sized PMCs nor drive them out of the market;</p> <p>(j) regarding some deputations' concern about the possible occurrence of bid-rigging in building repair and maintenance works, it should be noted that the Hong Kong Police Force, the Independent Commission Against Corruption, the Home Affairs Department ("HAD"), the Urban Renewal Authority and the Hong Kong Housing Society had all along been working closely in implementing measures to prevent bid-rigging activities. The Competition Ordinance prohibited anti-competitive acts; and</p> <p>(k) BMO was last amended in 2007. In order to keep pace with changing circumstances and to address public concerns, the Administration had appointed the Review Committee on the Building Management Ordinance ("the Review Committee") to identify common building management problems, deliberate how they might be resolved or alleviated through amending BMO, and make recommendations on how to take forward proposals to enhance the operation of OCs and to protect the interests of individual owners. The Review Committee had set out its preliminary findings in its Interim Report. The Administration was following up on the recommendations of the Review Committee, and aimed to consult the stakeholders and the public on proposed amendments to BMO later this year.</p> <p>The Bills Committee requested the Administration to provide a written response to views and</p>	<p><b>Admin to provide a</b></p>

Time marker	Speaker	Subject(s)	Action Required
		concerns expressed by deputations respectively on (a) various policy aspects of the Bill; and (b) the specific clauses of the Bill.	<b>written response (para. 3 of the minutes refers)</b>
012910 - 013034	Chairman Mr Harris YEUNG, Liberal Party Youth Committee	Expressing support for the Bill and concern about the impact of the proposed licensing regime on the employment prospects of experienced in-service PMPs with lower level of educational attainment. Suggestion that certain flexibility should be allowed in requiring those PMPs who were approaching retirement age to complete CPD courses and to obtain a formal licence.	
013035 - 013512	Chairman Mr Frankie YICK Admin	Mr Frankie YICK's enquiry about and the Administration's explanation on -  (a) CPD requirements on PMPs, upon the passage of the Bill; and  (b) building management and maintenance standards for compliance by OCs, and the support and assistance provided to property owners in the formation of OCs and in building management and maintenance.	
013513 - 013940	Chairman Mr WONG Kwok-hing	Mr WONG Kwok-hing's view that there were loopholes/grey areas in BMO, rendering it difficult for some property owners to form OCs and to appoint management companies to manage their buildings. The composition of PMSA should therefore balance the interests of all parties, especially the property owners. The present proposal of the Administration as set out in the LegCo Brief (File Ref.: HAD HQ CR/20/3/5(C)) was appropriate.	
013941 - 014408	Chairman Ms Claudia MO Admin	On Ms Claudia MO's enquiry, the Administration's response that the relevant parties would explore the possibility of providing "one stop service" in the monitoring of tender exercises to prevent bid-rigging.	
014409 - 014825	Chairman Mr CHAN Kin-por Dr FUNG Kwok-hung, Greater China Institute of Property Management	Regarding the proposed exemption of OCs and other forms of owners' organizations, which managed their own properties, from the licensing regime, Mr CHAN Kin-por concurred with some deputations that the Administration should set a limit on the maximum number of property units that could be managed by an exempted OC or	

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		<p>owners' organization.</p> <p>Mr CHAN Kin-por urged the Administration to review BMO. In his view, there should be penalty provisions in BMO to ensure compliance with the Ordinance and the relevant Codes of Practice issued under section 44 of BMO. He sought elaboration from Dr FUNG Kwok-hung on his views on the issue of "property owners' excessive participation" in the management of their buildings raised during his oral presentation.</p>	
014826 - 015253	<p>Chairman Mr CHEUNG Kwok-che Mr LAM Cheuk-ting, The Property Owners Anti-Bid Rigging Alliance</p>	<p>Mr CHEUNG Kwok-che expressed the following views and concerns -</p> <p>(a) property owners of old single tenement buildings might have difficulties in engaging licensed PMCs for provision of property management services;</p> <p>(b) the Administration should plug the loopholes in BMO, if any, in parallel with the legislative work on establishing a statutory licensing regime for the property management industry to regulate PMCs and PMPs; and</p> <p>(c) careful consideration should be given to some deputations' suggestion of waiving the licensing requirements for existing members of professional bodies relating to property management.</p> <p>Mr LAM Cheuk-ting's elaboration of his views on the major inadequacies in BMO that needed to be addressed, e.g. the lack of penalty clauses to address the non-compliance with certain statutory requirements.</p>	
015254 - 020419	<p>Chairman Deputy Chairman Dr Johnnie Casire CHAN Chi-kau, Housing Managers Registration Board Mr LAM Cheuk-ting, The Property Owners Anti-Bid Rigging Alliance Mr Ellis IP Chi-ming, The Hong Kong Institute of Housing</p>	<p>The Deputy Chairman reiterated his view that the Administration should make it a mandatory requirement for all licensed PMCs and PMPs to fulfil the statutory requirements under BMO and to observe and follow the relevant Codes of Practice issued under section 44 of BMO and best practice guides on building management and maintenance issued by the relevant government departments. In his view, there should be a provision spelling out such requirement explicitly in the Bill so that it would become an integral part of the main legislation, upon the passage of the Bill.</p>	

Time marker	Speaker	Subject(s)	Action Required
	Ms Edith LEE Mr Ivan TAM, The Hong Kong Association of Property Management Companies Ms Amy YUNG Wing-sheung, Islands District Council Member	Mr LAM Cheuk-ting expressed support for the Deputy Chairman's view. However, Dr Johnnie CHAN, Mr Ellis IP and Mr Ivan TAM considered it unnecessary to include in the Bill such a provision, explaining that PMCs and PMPs were required to comply with the requirements stipulated in various Ordinances which related to building and construction, building safety, as well as building management.	
020420 - 021231	<b>Break</b>		
<b>Item II - Meeting with the Administration</b>			
021232 - 021605	Chairman Admin	Briefing on the Administration's response to issues raised at the meeting on 11 June 2014 (LC Paper No. CB(2)1965/13-14(01)).	
021606 - 022114	Chairman Mr WONG Kwok-hing Admin	Mr WONG Kwok-hing's enquiries and the Administration's response about the composition of PMSA and the licensing requirements for PMPs. The Administration's advice that it would consult the sector before finalizing the detailed licensing criteria and introducing subsidiary legislation for scrutiny by LegCo.	
022115 - 022806	Chairman Deputy Chairman Admin	<p>The Deputy Chairman enquired whether the Administration would make provisions in the subsidiary legislation concerned to require that a licensed PMP could only be employed by a defined maximum number of PMCs. He also asked whether a limit would be set on the maximum number of property units that could be managed by an exempted OC or owners' organization.</p> <p>The Administration responded that -</p> <p>(a) while the detailed licensing criteria for PMCs and PMPs would be set out in the subsidiary legislation, the Administration's initial thinking was that a PMC should have at least one director who was a licensed PMP. A PMC should at least have three employees holding PMP licences, among whom, one (either working full-time or part-time) should hold a PMP (Tier 1) licence. Holders of a PMP (Tier 1) licence should serve no more than three PMCs concurrently at any one time; and</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>(b) in order not to put undue financial pressure on property owners of old single tenement buildings who might at present manage their own properties through OCs or other forms of owners' organizations, the Administration would not make it a mandatory requirement for all property owners to appoint a PMC. The Administration envisaged that with the introduction of the new regulatory regime, the service quality and professional standards of PMCs and PMPs would be enhanced, thus increasing the public awareness of the importance of engaging a qualified PMC.</p>	
022807 - 023402	Chairman Mr CHEUNG Kwok-che Admin	<p>Noting that certain categories of entities (such as OCs or other forms of owners' organizations managing their own properties; or owners of the properties who provided property management services by themselves, if they were individuals and did not provide any property management services to another property for profit) would fall outside the scope of the licensing regime and hence not required to obtain PMC or PMP licences, Mr CHEUNG Kwok-che sought information on the estimated total number of buildings which were managed by such entities/persons and also those "three-nil" buildings without any form of owners' organizations and without engaging PMCs.</p> <p>The Administration's advice that at present, there were about 40 000 private buildings in Hong Kong, out of which about 20% (i.e. about 8 000 buildings) were managed by OCs or other forms of owners'/residents' organizations without employing a PMC.</p> <p>In response to Mr CHEUNG Kwok-che's further questions, the Administration advised that -</p> <p>(a) the policy objectives of the Bill and those of BMO were different. While BMO provided a legal framework for property owners to form OCs and to manage their buildings properly in accordance with the requirements of the legislation, the Bill sought to establish a regulatory regime for PMCs and PMPs which/who, if engaged, played an important role in assisting property owners in the proper management of their buildings and the discharge of the owners' duties under BMO.</p>	<b>Admin to provide information in writing (para 4(a) of the minutes refers)</b>

Time marker	Speaker	Subject(s)	Action Required
		<p>The Bill, if enacted as an ordinance, would have a close interplay with BMO;</p> <p>(b) to keep pace with the changing circumstances and to address public concerns, the Review Committee had submitted two reports and recommended measures for improvements to BMO, the Administration was following up on various recommendations of the Review Committee and aimed to consult the stakeholders and the public on proposed amendments to BMO later this year; and</p> <p>(c) having regard to the possible uncertainty that might arise from including in the Bill a requirement for PMCs/PMPs to observe and follow the relevant Codes of Practice issued under BMO and best practice guides on building management and maintenance issued by the relevant government departments, the feasibility and implications of the suggestion had to be considered carefully.</p>	
023403 - 024319	Chairman Deputy Chairman Admin	<p>The Chairman's expression of concerns about -</p> <p>(a) the measures to be taken by the Administration for assuring/enhancing the building management standards of those 8 000 private buildings which practised "self-management" without appointing any PMC;</p> <p>(b) the manpower supply and demand for the two tiers of licensed PMPs after the implementation of the proposed licensing regime. As the requirements for the respective number of PMPs holding Tier 1 and Tier 2 licences for a PMC had not yet been set out, it would be difficult for the trade to assess the manpower supply and demand at this stage; and</p> <p>(c) the definition of "companies providing only stand-alone services" which would be exempted from the proposed single-tier licensing regime of PMCs.</p> <p>The Deputy Chairman's enquiries and the Administration's response on -</p> <p>(a) the rationale for limiting holders of a PMP (Tier 1) licence to serve concurrently no more</p>	

Time marker	Speaker	Subject(s)	Action Required
		<p>than three PMCs at any one time; and</p> <p>(b) the timetable for introducing the subsidiary legislation to set out the detailed licensing criteria for PMCs and PMPs.</p>	
024320 - 025030	Chairman Mr CHEUNG Kwok-che Admin	<p>The Chairman's and Mr CHEUNG Kwok-che's suggestion that instead of capping the number of PMCs a PMP (Tier 1) licence holder could serve concurrently, the Administration should consider restricting the provision of property management services by licensed PMPs, say, by the total floor area of the housing estates or the number of property units that could be managed by individual PMPs.</p> <p>In response to Mr CHEUNG Kwok-che's enquiry about the buildings presently without any form of management, the Administration advised that there were about 6 000 buildings, mainly old or single tenement buildings, which did not have an OC or any form of owners'/residents' organizations nor did they engage a PMC (i.e. the so-called "three nil" buildings).</p> <p>On Mr CHEUNG's concern about how to improve the quality of building management, the Administration responded that to assist property owners/residents of private buildings, particularly those old ones, in discharging their building management responsibilities, HAD had spared no effort in fostering a culture of good building management through -</p> <p>(a) providing free and one-stop professional advisory service for 1 200 "three nil" buildings through the Building Management Professional Advisory Service Scheme;</p> <p>(b) recruiting owners and residents as Resident Liaison Ambassadors in "three-nil" buildings for promoting better building management; and</p> <p>(c) launching "AP Easy", a pilot scheme on building maintenance advisory service, in collaboration with three professional institutes, namely HKIS, the Hong Kong Institution of Engineers and the Hong Kong Institute of Architects. The aim was to provide OCs in need with professional and tailor-made advice</p>	<p><b>Admin to provide information in writing (para 4(a) of the minutes refers)</b></p>

Time marker	Speaker	Subject(s)	Action Required
		and support to assist them in engaging consultants/authorized persons to launch building maintenance.	
025031 - 025145	Chairman	Referring to Schedule 1 to the Bill which set out the categories of property management services, the Chairman noted that "General management services relating to a property" was one of the seven defined categories of services. He considered the definition unclear and suggested the Administration to refine the wording so as to clearly specify the scope of services referred to.	<b>Admin to consider the view and provide a response (para 4(b) of the minutes refers)</b>
025146 - 025801	Chairman Mr Alan LEONG Admin	<p>Mr Alan LEONG's suggestion that in considering amending BMO, the Administration should give thought to enhancing the support to property owners and OCs to facilitate their discharge of building management duties. Feasible measures included (a) setting up a building management tribunal for adjudicating building management disputes; and (b) creating a database on disputes over cases of property management issues for experience sharing among members of the public.</p> <p>The Administration's response that -</p> <p>(a) HAD had already set up a dedicated website providing updated and comprehensive information on building management, including legislation in relation to building management, useful information on common building management issues, educational and publicity materials, various initiatives and support services rendered to property owners by HAD, etc.; and</p> <p>(b) as PMSA would assume the dual functions of a licensing body and an industry promoter, it was believed that PMSA would strive to promote the concept of maintaining building safety and value through continuous effective building management.</p>	
025802 - 030017	Chairman Deputy Chairman Admin	The Deputy Chairman urged the Administration to expedite the formulation of legislative proposals on the detailed licensing criteria for PMCs and PMPs for inclusion into the subsidiary legislation as early as possible, preferably right after the Council's summer recess.	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		The Administration advised that it aimed at finalizing and introducing to LegCo the subsidiary legislation, after the passage of the Bill. The Administration would take into account the views of the stakeholders, including LegCo, in formulating the details.	
030018 - 030050	Chairman	The Chairman's closing remarks.	

Council Business Division 2  
Legislative Council Secretariat  
29 September 2014

## Bills Committee on Property Management Services Bill

### Summary of views and concerns expressed by deputations/individual for the meeting on 23 July 2014

Deputation/individual	Major views and concerns	Administration's response
<b>(a) General view on the Bill</b>		
<ul style="list-style-type: none"> <li>● Chartered Institute of Housing Asian Pacific Branch</li> <li>● Civic Party</li> <li>● The Democratic Party</li> <li>● Greater China Institute of Property Management</li> <li>● Housing Managers Registration Board</li> <li>● Liberal Party Youth Committee</li> <li>● Mr YEUNG Wai-sing, Eastern District Council Member</li> <li>● The Hong Kong Association of Property Management Companies</li> <li>● The Hong Kong Institute of Facility Management Ltd.</li> <li>● The Hong Kong Institute of</li> </ul>	<ul style="list-style-type: none"> <li>● The deputations supported the proposed establishment of a licensing regime to regulate property management companies ("PMCs") and property management practitioners ("PMPs"), and considered that a mandatory licensing regime for PMCs and PMPs could raise professional standards and protect the interests of property owners.</li> <li>● There was a concern about the impact of the proposed licensing regime on the employment prospects of experienced in-service PMPs with lower level of educational attainment. It was suggested that flexibility should be allowed for those PMPs who were approaching retirement age to complete continuing professional education courses and to obtain a formal PMP licence.</li> <li>● There was a view that PMCs only acted in the capacity of the agent of the property owners or</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<p>Surveyors</p> <ul style="list-style-type: none"> <li>• The Incorporated Owners of Fu Tor Loy Sun Chuen (Phase 1)</li> <li>• The Incorporated Owners of Fung Wah Estate</li> <li>• The Property Owners Anti-Bid Rigging Alliance</li> </ul>	<p>owners' organizations, so property owners, owners' organizations, and related persons should also be subject to the regulation of the Bill.</p> <ul style="list-style-type: none"> <li>• There was a suggestion that the Government should require licensed PMCs and PMPs to observe and follow the relevant Codes of Practice issued under the Building Management Ordinance (Cap. 344) ("BMO") for achieving effective building management and maintenance. The Property Management Services Authority ("PMSA") should punish those PMCs which intentionally acted against BMO. It was also suggested that in the tendering process, PMCs should be required to disclose information on whether they had any associated companies or directors/senior management of the company participating in the tender in order to avoid any conflict of interest.</li> </ul>	
<b>(b) Licensing of PMC</b>		
<ul style="list-style-type: none"> <li>• The Federation of Hong Kong Property Management Industry Limited</li> <li>• The Incorporated Owners of Fu Tor Loy Sun Chuen</li> </ul>	<ul style="list-style-type: none"> <li>• The deputations concurred with the view that a single-tier mandatory licensing regime for PMCs could avoid creating labelling effects. They also supported that the licensing requirement would not apply to the provision of property</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<p>(Phase 1)</p> <ul style="list-style-type: none"> <li>• The Hong Kong Association of Property Management Companies</li> <li>• Mr YEUNG Wai-sing, Eastern District Council Member</li> </ul>	<p>management services to a property by the owners' organization of a property which provided the property with property management services without engaging a PMC or PMPs.</p> <ul style="list-style-type: none"> <li>• There was a view that to promote and support building management services, the Government should set up a fund to assist those owners' organizations which managed their own buildings and also those property owners who did not engage a PMC to provide property management services to their property.</li> <li>• There was a suggestion that the staff employed by the owners' organization of a property, which provided the property with property management services without engaging a PMC or PMPs, to take up a supervisory role in the provision of property management services should not be required to obtain a licence.</li> </ul>	
<ul style="list-style-type: none"> <li>• The Federation of Hong Kong Property Management Industry Limited</li> <li>• The Hong Kong Association of Property</li> </ul>	<ul style="list-style-type: none"> <li>• The deputations noted that PMSA had the power to prescribe the criteria for holding a PMC licence and the criteria might include a criterion that the person had a sufficient number of directors and employees who were licensed PMPs. It was</li> </ul>	

<b>Deputation/individual</b>	<b>Major views and concerns</b>	<b>Administration's response</b>
<p>Management Companies</p> <ul style="list-style-type: none"> <li>• The Hong Kong Institute of Surveyors</li> </ul>	<p>considered that the respective number of staff holding a PMP (Tier 1) licence and a PMP (Tier 2) licence employed by a PMC should be proportionate to the number of property units it managed.</p> <ul style="list-style-type: none"> <li>• There was a view that a PMC should be required to appoint a licensed PMP (Tier 1) as its full time director or senior management staff. The PMC should designate at least one employee holding either a PMP (Tier 1) licence or a PMP (Tier 2) licence responsible for the building management of a property which was managed by the PMC.</li> </ul>	
<ul style="list-style-type: none"> <li>• Civic Party</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation considered that the PMC should be required to disclose its company information such as its company background, company size and its associated companies, etc. so as to enable property owners to make an informed choice of the PMCs.</li> </ul>	
<ul style="list-style-type: none"> <li>• Mr MAN Chi-wah</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation suggested that the Administration should specify the circumstances under which the licensing requirement would not apply to the provision of property management services to a property by the owners organization of a property</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
	<p>which provided the property with property management services without engaging a PMC or PMP and set a limit on the maximum number of property units (e.g. no more than 40 units) that could be managed by the owners' organization concerned.</p>	
<b>(c) Licensing criteria for a PMP (Tier 1) licence</b>		
<ul style="list-style-type: none"> <li>Chartered Institute of Housing Asian Pacific Branch</li> <li>Greater China Institute of Property Management</li> <li>Hong Kong Institute of Real Estate Administrators</li> <li>Housing Managers Registration Board</li> <li>The Hong Kong Institute of Housing</li> <li>The Hong Kong Institute of Surveyors</li> </ul>	<ul style="list-style-type: none"> <li>Some deputations agreed that the holders of PMP (Tier 1) licence should possess: (a) academic qualifications - holder of a degree or equivalent professional diploma qualification; (b) professional qualifications - holder of professional membership granted by recognized professional housing management institute; and (c) relevant working experience - with not less than 5 years' relevant working experience in housing management. It was suggested that the definition of professional qualifications should be clearly spelled out. It was also suggested that to avoid any adverse impacts on the in-service practitioners, there should be exemption for PMPs from meeting the academic qualification requirements provided that they had met certain conditions.</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
	<ul style="list-style-type: none"> <li>There was a view that the licensing criteria for PMPs should be compatible with the general market requirement of a professional property manager. In most of the Government tenders for property and facility management services, the minimum requirement of estate/property manager was a certain number of years of post-qualification experience. In line with this benchmark, it was considered that a PMP (Tier 1) licence holder should have similar professional status that was commensurate with the Government's tender requirement.</li> </ul>	
<ul style="list-style-type: none"> <li>The Federation of Hong Kong Property Management Industry Limited</li> </ul>	<ul style="list-style-type: none"> <li>The deputation suggested that the person who had operated a PMC for at least five years before the enactment of the Bill should be qualified for applying for a PMP (Tier 1) licence and should be exempted from the requirements on academic qualifications and examinations. If the person did not hold a degree in relevant disciplines of property management, he/she should be required to attend relevant courses for a certain number of hours and no examination should be required.</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<ul style="list-style-type: none"> <li>Chartered Institute of Housing Asian Pacific Branch</li> <li>Hong Kong Institute of Real Estate Administrators</li> <li>The Hong Kong Institute of Housing</li> </ul>	<ul style="list-style-type: none"> <li>The deputations considered that for those PMPs at senior level who had rich working experience in the property management industry but without the required academic qualifications, the future PMSA should grant them permanent PMP (Tier 1) licences in order to retain the experienced practitioners in the industry.</li> </ul>	
<b>(d) Licensing criteria for a PMP (Tier 2) licence</b>		
<ul style="list-style-type: none"> <li>The Federation of Hong Kong Property Management Industry Limited</li> <li>The Hong Kong Institute of Facility Management Ltd.</li> <li>The Hong Kong Institute of Housing</li> </ul>	<ul style="list-style-type: none"> <li>There was a suggestion that PMPs who had newly joined the property management industry with less than three years of working experience should not be required to obtain a PMP licence as they were less involved in supervisory work.</li> <li>There was another suggestion that if a PMP had the relevant certificate or equivalent academic qualifications and had completed relevant continuing professional development ("CPD") courses for a certain number of hours, he/she should be granted a PMP (Tier 2) licence, without the need to take any examinations. For those PMPs who had supervisory experience but did not have the required academic attainment, they should be granted PMP (Tier 2) licences after completing CPD courses for a certain number of</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
	<p>hours depending on their years of service in the industry and should not be required to take any examinations.</p> <ul style="list-style-type: none"> <li>It was also suggested that a class of Probationary Licence should be created and issued to those people who did not possess the necessary qualifications to obtain a PMP (Tier 2) licence so as to give them the opportunity to join the industry. The initial period for the Probationary Licence should be three years and could be extended to a maximum of another three years subject to PMSA's discretion.</li> </ul>	
<b>(e) Composition and functions of PMSA</b>		
<ul style="list-style-type: none"> <li>Chartered Institute of Housing Asian Pacific Branch</li> <li>Hong Kong Institute of Real Estate Administrators</li> <li>Housing Managers Registration Board</li> <li>Mr YEUNG Wai-sing, Eastern District Council Member</li> <li>The Hong Kong</li> </ul>	<ul style="list-style-type: none"> <li>The deputations suggested that the proportion of representatives of PMPs or members of the relevant professional bodies in PMSA and its disciplinary panel (including investigating committee, appeal panel and appeal tribunal) be increased. They considered that this would help PMSA to have a clearer insight of the operation of the industry and assist the disciplinary panel in handling the complaint cases received in a fair and proper manner. The deputations had raised various suggestions on the proportion of</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<p>Association of Property Management Companies</p> <ul style="list-style-type: none"> <li>• The Hong Kong Institute of Housing</li> <li>• The Hong Kong Institute of Surveyors</li> </ul>	<p>representatives of PMPs/ members of the relevant professional bodies in PMSA and its disciplinary panel, ranging from one third of the membership to 50% of the membership.</p>	
<ul style="list-style-type: none"> <li>• The Federation of Hong Kong Property Management Industry Limited</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation noted that PMSA would consist of the Chairperson, the Vice-chairperson and not more than 18 ordinary members from the following three categories of individuals - (a) individuals who were engaged in property management services, taking up about one-fourth of the ordinary members of PMSA; (b) individuals who had experience in the relevant fields related to property management, general administration or consumer affairs, taking up also about one-fourth of the ordinary members of PMSA; and (c) other individuals who appeared to the Chief Executive to be suitable for appointment as members, taking up at least 50% of the ordinary members. The deputation suggested that at least 50% of the members of PMSA should be persons belonging to category (a); and persons belonging to categories (b) and (c) would each take up about 25% of the members</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
	of PMSA.	
<ul style="list-style-type: none"> <li>• Hong Kong Institute of Real Estate Administrators</li> <li>• The Hong Kong Institute of Housing</li> <li>• The Hong Kong Institute of Surveyors</li> </ul>	<ul style="list-style-type: none"> <li>• Some deputations suggested that a mediation mechanism should be introduced during the appeal process. There was another suggestion that a referral mechanism should be established by which PMSA would refer individual cases to other Government departments (e.g. the Independent Commission Against Corruption and the Hong Kong Police) to follow up where necessary.</li> </ul>	
<ul style="list-style-type: none"> <li>• Greater China Institute of Property Management</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation suggested that PMCs and PMPs could lodge complaints against owners' organizations and property owners with PMSA.</li> </ul>	
<ul style="list-style-type: none"> <li>• The Democratic Party</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation suggested that the Administration should consider whether PMSA would provide support services to assist owners' corporations ("OCs") and management committees of OCs in discharging their building management responsibilities.</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<b>(f) Transitional Period</b>		
<ul style="list-style-type: none"> <li>• The Federation of Hong Kong Property Management Industry Limited</li> <li>• The Hong Kong Institute of Facility Management Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• While there was a view that a transitional period of six years should be provided, there was another view that a transitional period of 36 months proposed in the Bill was reasonable.</li> </ul>	
<b>(g) Provisional Licence</b>		
<ul style="list-style-type: none"> <li>• The Hong Kong Institute of Facility Management Ltd.</li> <li>• The Hong Kong Institute of Surveyors</li> </ul>	<ul style="list-style-type: none"> <li>• There was a view that if PMCs which were currently in operation and the in-service PMPs could meet the licensing criteria, they should be granted the formal licences, instead of provisional licences.</li> </ul>	
<b>(h) Penalty</b>		
<ul style="list-style-type: none"> <li>• The Property Owners Anti-Bid Rigging Alliance</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation suggested PMSA to consider introducing a demerit points system and to seriously punish those PMCs and PMPs which/who had participated in bid-rigging practices by making orders to revoke their licences.</li> </ul>	
<ul style="list-style-type: none"> <li>• The Federation of Hong Kong Property</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation suggested that if PMSA had made an order revoking the licence of a PMC, there</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
Management Industry Limited	should be a three-month period for the PMC concerned to lodge an appeal. During the appeal period, the licence of the PMC concerned was still valid for operation so as to ensure that there was no disruption of services to its clients.	
<b>(i) Licence fees</b>		
<ul style="list-style-type: none"> <li>• The Hong Kong Institute of Surveyors</li> <li>• Hong Kong Institute of Real Estate Administrators</li> <li>• The Hong Kong Institute of Housing</li> </ul>	<ul style="list-style-type: none"> <li>• The deputations had raised various views on the level of licence fees. There was a view that the licence fees should not be higher than that of the membership fees of the relevant professional bodies.</li> <li>• There was a suggestion that the annual licence fees for a licensed PMC, a licensed PMP (Tier 1) and a licensed PM (Tier 2) should be \$2,200, \$400 and \$200 respectively.</li> </ul>	
<b>(j) Provision of training to practitioners</b>		
<ul style="list-style-type: none"> <li>• Chartered Institute of Housing Asian Pacific Branch</li> <li>• Housing Managers Registration Board</li> <li>• Royal Institution of</li> </ul>	<ul style="list-style-type: none"> <li>• The deputations recommended that the Government should provide more subsidies to academic institutions for the provision of more property management related courses. Direct subsidies for PMPs or potential PMPs could encourage them to elevate their academic</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<p>Chartered Surveyors Hong Kong</p> <ul style="list-style-type: none"> <li>• The Hong Kong Association of Property Management Companies</li> <li>• The Hong Kong Institute of Facility Management Ltd.</li> <li>• The Hong Kong Institute of Housing</li> <li>• The Hong Kong Institute of Surveyors</li> </ul>	<p>qualifications in managing buildings with safety and quality.</p> <ul style="list-style-type: none"> <li>• There was a view that the early announcement of the training/bridging arrangements could alleviate the concerns of the in-service PMPs, in particular those who were worried about their eligibility for obtaining the PMP licences.</li> </ul>	
<ul style="list-style-type: none"> <li>• The Federation of Hong Kong Property Management Industry Limited</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation suggested that the Government should set up a fund to provide subsidies to practitioners and compensation to companies to cover their financial loss due to the enactment of the Bill. Its initial suggestion was that the Government should subsidize 100% of the CPD course fees paid by PMPs, out of which 60% would be paid to employees and 40% to the employers.</li> </ul>	
<b>(k) Consultation with the stakeholders</b>		
<ul style="list-style-type: none"> <li>• Chartered Institute of Housing Asian Pacific Branch</li> </ul>	<ul style="list-style-type: none"> <li>• The deputations noted that many details of the licensing regime, such as licensing criteria and specific requirements on preparation of budget,</li> </ul>	

Deputation/individual	Major views and concerns	Administration's response
<ul style="list-style-type: none"> <li>• The Democratic Party</li> <li>• Housing Managers Registration Board</li> <li>• Royal Institution of Chartered Surveyors Hong Kong</li> <li>• The Federation of Hong Kong Property Management Industry Limited</li> <li>• The Hong Kong Association of Property Management Companies</li> <li>• The Hong Kong Institute of Facility Management Ltd.</li> <li>• The Hong Kong Institute of Housing</li> <li>• The Hong Kong Institute of Surveyors</li> </ul>	<p>keeping of financial statements, etc. were to be addressed in subsidiary legislation. They considered that an early and thorough consultation with stakeholders should be conducted when the subsidiary legislation and the relevant Code of Conduct were drafted.</p>	
<b>(l) Other issues</b>		
<ul style="list-style-type: none"> <li>• MTR Corporation Limited</li> </ul>	<ul style="list-style-type: none"> <li>• The deputation had raised a number of concerns relating to the Bill and sought clarifications on some scenarios as detailed in its submission (see LC Paper No. CB(2)2060/13-14(10)).</li> </ul>	

<b><u>Name of Organization / individual</u></b>	<b><u>Submission (LC Paper No.)</u></b>
Chartered Institute of Housing Asian Pacific Branch	LC Paper No. CB(2)2060/13-14(08); and LC Paper No. CB(2)2060/13-14(03)
Civic Party	LC Paper No. CB(2)2116/13-14(01)
Greater China Institute of Property Management	LC Paper No. CB(2)2060/13-14(06)
Hong Kong Institute of Real Estate Administrators	LC Paper No. CB(2)2060/13-14(12)
Housing Managers Registration Board	LC Paper No. CB(2)2060/13-14(04); and LC Paper No. CB(2)2060/13-14(03)
Mr YEUNG Wai-sing, Eastern District Council Member	LC Paper No. CB(2)2089/13-14(04)
MTR Corporation Limited	LC Paper No. CB(2)2060/13-14(10)
Royal Institution of Chartered Surveyors Hong Kong	LC Paper No. CB(2)2060/13-14(03)
The Federation of Hong Kong Property Management Industry Limited	LC Paper No. CB(2)2060/13-14(11)
The Hong Kong Association of Property Management Companies	LC Paper No. CB(2)2060/13-14(05); and LC Paper No. CB(2)2060/13-14(03)
The Hong Kong Institute of Facility Management Ltd.	LC Paper No. CB(2)2060/13-14(03); and

<b><u>Name of Organization / individual</u></b>	<b><u>Submission (LC Paper No.)</u></b>
	LC Paper No. CB(2)2089/13-14(02)
The Hong Kong Institute of Housing	LC Paper No. CB(2)2060/13-14(02); and LC Paper No. CB(2)2060/13-14(03)
The Hong Kong Institute of Surveyors	LC Paper No. CB(2)2060/13-14(09); and LC Paper No. CB(2)2060/13-14(03)
The Incorporated Owners of Fung Wah Estate	LC Paper No. CB(2)2060/13-14(07)
The Incorporated Owners of Fu Tor Loy Sun Chuen (Phase 1)	LC Paper No. CB(2)2089/13-14(01)
The Property Owners Anti-Bid Rigging Alliance	LC Paper No. CB(2)2116/13-14(03)

## Bills Committee on Property Management Services Bill

### Deputations'/individual's views on the specific clauses of the Bill for the meeting on 23 July 2014

Deputation/individual	Deputation's/individual's views	Administration's response
<b><u>Part 1 - Preliminary</u></b>		
<i>Clause 2 - Interpretation</i>		
Ms Amy YUNG Wing-sheung, Islands District Council Member	<ul style="list-style-type: none"> <li>A property management practitioner ("PMP") was defined as a person who assumes a managerial or supervisory role in a property management company ("PMC"). The definition of PMP should not be restricted to the top management and a broader range of persons responsible for providing management services should be brought under the licensing regime. It was suggested that the definition be expanded to include any person who was designated to represent the manager of a property.</li> </ul>	
<i>Clause 5 - Codes of conduct for section 4</i>		
Joint submission from The Hong Kong Institute of	<ul style="list-style-type: none"> <li>The code of conduct should be clearly defined and focused on professional property</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
<p>Housing ("HKIH"), Housing Managers Registration Board ("HMRB"), The Hong Kong Association of Property Management Companies ("HKAPMC"), Royal Institution of Chartered Surveyors Hong Kong ("RICS"), The Hong Kong Institute of Facility Management Ltd. ("HKIFM") and Chartered Institute of Housing Asian Pacific Branch ("CIHAPB"), The Hong Kong Institute of Surveyors ("HKIS")</p>	<p>management ("PM") practice instead of operational issues. It should not, in any circumstances, contravene the common law. Reference could be taken from the existing PM professional bodies to tailor-make a rational and practical code of conduct so that the future Property Management Services Authority ("PMSA") could follow; and</p> <ul style="list-style-type: none"> <li>• There should be different standards of the code of conduct for the licensed PMPs (Tier 1) and the licensed PMPs (Tier 2), and the standard for the licensed PMPs (Tier 1) should be set at a more stringent level.</li> </ul>	
<b><u>Part 2 - Prohibition</u></b>		
<b><i>Clause 7 - Exceptions to section 6</i></b>		
<p>宏景花園關注組</p>	<ul style="list-style-type: none"> <li>• Clauses 7(3) and 7(4) - These clauses should only apply to a property with less than 100 property units and the owners' organization/owners of a property with more</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	<p>than 100 property units must hire a licensed PMC or a licensed PMP to provide PM services for the property. The decision for the owners' organization or the property owner to provide the property with PM services should be made by a resolution passed by not less than 30% of the votes of the owners at a general meeting of the property owners.</p>	
<p>Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS</p>	<ul style="list-style-type: none"> <li>• Clause 7(3) and 7(4) - There was a need to clarify if the exemption applied to PMCs which were formed by a single owner for management of its own properties. In addition, there should be exemption for the PMPs being employed in this type of PMCs to hold a PMP licence.</li> </ul>	
<p><b><u>Part 3 - Licensing of PMCs and PMPs</u></b></p>		
<p><b><i>Clause 12 - Publication of list of licensees</i></b></p>		
<p>Ms Amy YUNG Wing-sheung, Islands District Council Member</p>	<ul style="list-style-type: none"> <li>• It was suggested that a PMC be required to post and maintain an up-to-date record of all PMPs assigned to the estate, specifying whether the licensed individual was a licensed PMP (Tier 1) or a licensed PMP</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	(Tier 2), at a prominent and accessible place within the Building. This should be in addition to any power of PMSA to publish lists of licensed PMCs and PMPs.	
<b><i>Clauses 13 - Registers</i></b>		
Joint submission from HKIHK, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS	<ul style="list-style-type: none"> <li>• Clause 13(2)(f) and 15(2)(a) - There should be a clear guideline on setting the ratio of licensed PMPs (Tier 1) and licensed PMPs (Tier 2) to be recruited for qualifying the PMC licence corresponding to the number of residential units or areas of commercial/industrial premises/other facilities which the PMC undertook to manage;</li> <li>• Clause 13(2)(g) - It was very common in the PM industry that the portfolios of a PMC change from time to time, voluntarily or involuntarily. As such, it was suggested that the submission of updates to the PMC register by PMCs should be made upon next renewal of PMC licence or within a reasonable period so that it would not become an offence if such changes were not updated instantly;</li> </ul>	

<b>Deputation/individual</b>	<b>Deputation's/individual's views</b>	<b>Administration's response</b>
	<ul style="list-style-type: none"> <li>• In the most serious case of PMC being notified of non-renewal, revocation or suspension of the PMC licence by PMSA, the management contracts of all the portfolios under that PMC would be void and the management services would have to be ceased. This would create a damaging impact to the building(s) or owners concerned, not to mention the risk of claims faced by that PMC itself. It was suggested that a sufficient period of notice be served so that the affected building owners could have sufficient time to enter into new management contract with other PMCs;</li> <li>• If that PMC was a Deed of Mutual Covenant ("DMC") Manager for some buildings, greater impact to the buildings/owners than those mentioned above would occur as there might still be many latent problems in the new development for the DMC manager to follow up. Owners would suffer greatly if no Owner's Committee or Owners' Corporation had been formed yet. It was suggested that even longer period of notice be served on the PMC i.e. DMC Manager as well as the affected building owners who needed to follow the Building Management Ordinance</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	<p>(Cap. 344) for engaging new PMC for the building(s) before departure of the DMC Manager; and</p> <ul style="list-style-type: none"> <li>• Clauses 13(3)(d) and 13(4)(d) - A Tier 1 PMP might be the director of a few PMCs which were subsidiaries of a single developer. There was a need to determine the number of PMC licences under which a Tier 1 PMP licensee could be registered as a director.</li> </ul>	
<b><i>Clause 15 - Regulations for Part 3</i></b>		
<p>Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS</p>	<ul style="list-style-type: none"> <li>• Clause 13(2)(f) and 15(2)(a) - There should be a clear guideline on setting the ratio of Tier 1 and Tier 2 PMPs to be recruited for qualifying the PMC licence corresponding to the number of residential units or areas of commercial/industrial premises/other facilities which the PMC undertook to manage;</li> <li>• Clause 15(2)(a) - If the PMC licence was affected due to change of director or absence of related directorate grade, there should be a grace period for the replacement of a</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	<p>director, so the PMC licence would not be revoked or suspended immediately; and</p> <ul style="list-style-type: none"> <li>• Clause 15(2)(b)(i) - Requirements of academic qualifications, professional qualifications and relevant work experience should be set for Tier 1 and Tier 2 PMPs.</li> </ul>	
<b><u>Part 4 - Duties of Licensees</u></b>		
<i>Clause 16 - Licensed PMC's duty to provide information to clients</i>		
<p>Ms Amy YUNG Wing-sheung, Islands District Council Member</p> <p>MTR Corporation Limited</p>	<ul style="list-style-type: none"> <li>• The term "client" was undefined. It was suggested that the term "client" be replaced with the term "owners", and that any owner should have access to the information to be provided. Client should not be restricted to the owners' committee(s);</li> <li>• There should be a requirement to maintain an up-to-date record of the information required to be provided under Part 4, and to notify owners of the availability of updated information. It was unclear whether the information to be provided by PMCs referred to the PMC's own budgets and accounts, or whether it referred to the budgets and</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	<p>accounts of the estate that was managed by the PMC - or both. At the very minimum, the owners' funds held on trust by the PMC must be covered by this requirement; and</p> <ul style="list-style-type: none"> <li>● It was also recommended that PMC be required to disclose any related-party transaction with the developer and its subsidiaries, if the PMC was a subsidiary of the developer.</li> </ul>	
<p>Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS</p> <p>MTR Corporation Limited</p>	<ul style="list-style-type: none"> <li>● Clause 16(3) - The financial documents should only refer to those related to the specific building management accounts of the respective client concerned.</li> </ul>	
<p><b><i>Clause 17 - Licensee's duty to notify change of prescribed matters</i></b></p>		
<p>Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS</p>	<ul style="list-style-type: none"> <li>● Clause 17(1) - If a PMP licensee was temporarily unemployed or taking a career break for various reasons, the PMP licence should still be valid until its expiry.</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
<b><u>Part 5 - Disciplinary Matters</u></b>		
<i>Clauses 18 to 20</i>		
<p>Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS</p>	<ul style="list-style-type: none"> <li>● Clause 18(1) and (2) - There had been a great concern on the initial screening process of the complaints. It was emphasized that the complaint system should not be abused. The screening process should be conducted in a proper and fair manner;</li> <li>● Clause 19 - There should be clear guidelines and procedures for handling a complaint. Reference could be made to the existing effective mechanism adopted by the PM professional bodies and other licensed bodies to ease the conflict/confrontation between the complainant and the PMC or PMP concerned;</li> <li>● Clause 20 - There were numerous industry practices and situational difficulties involving people, buildings and environments, even laws and regulations. Investigators should be those experienced PM practitioners who possessed professional PM knowledge and thus could give fair and</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	<p>rational views on the complaint; and</p> <ul style="list-style-type: none"> <li>• A PMP licence should be granted again after serving sentence.</li> </ul>	
<b><u>Part 6 - Appeal</u></b>		
<i>Clauses 32 and 34</i>		
<p>Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS</p>	<ul style="list-style-type: none"> <li>• Clauses 32 and 34 - The appeal panel (with one chairperson and 11 other members) and appeal tribunal (with one chairperson and two members from the appeal panel) should have a majority of members from PM industry, so that a fair judgment could be reached. This was commonly adopted by the disciplinary panel/tribunal of some professions like certified public accountants (40% were industry related members), doctors (86%), barristers (58%) etc.; and</li> <li>• Clause 32(2) - Since the appeal panel (including the appeal tribunal) would be independent from PMSA or any of its standing committee formed for hearing disciplinary matters and the decision of the appeal tribunal was final as stipulated in the</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
	Bill, members of the appeal panel or PMSA should not revoke the decision made by the appeal tribunal.	
<b><u>Part 7 and Schedule 3 - Property Management Services Authority and Schedule 3</u></b>		
Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS	<ul style="list-style-type: none"> <li>• Schedule 3 Part 2, sections 2 and 3 - In appointing a member of PMSA, the Chief Executive must ensure that (a) at least half of the ordinary members were Category III persons; and (b) for the other ordinary members, so far as possible, half of them were Category I persons and half of them were Category II persons. It was considered that Category I persons (i.e. individuals engaged in property management services) should form the majority in the other half of the ordinary members of PMSA as against Category II persons (i.e. individuals, not being Category I persons, who, because of their experience in property management, general administration or consumer affairs, appear to the Chief Executive to have knowledge of property management services).</li> </ul>	

Deputation/individual	Deputation's/individual's views	Administration's response
<b><u>Part 9 - Miscellaneous</u></b>		
<i>Clause 61 - Defence for licensed PMP as employee</i>		
Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB, and HKIS	<ul style="list-style-type: none"> <li>• Clause 61(c) and 61(d) - Most owners, members of owners' committee or owners' corporation were laymen but they possessed the absolute power vested in the administration, management and control of their properties. As such, it was reasonable for them to bear the responsibility of any outcome caused by their decision. Therefore, it was suggested to add an additional defence for PMC and PMP when acting or making the omission in accordance with the instructions given by the owners' committee or owners' corporation which might force or give undue influence to the PMC or PMP to follow their instructions despite professional advice(s) to the contrary had already been given.</li> </ul>	
<b><u>Schedule 4 - Transitional Provisions</u></b>		
Joint submission from HKIH, HMRB, HKAPMC, RICS, HKIFM, CIHAPB,	<ul style="list-style-type: none"> <li>• The provisional personal licence should serve the same function as the normal Tier 1 or Tier 2 PMP licence.</li> </ul>	

<b>Deputation/individual</b>	<b>Deputation's/individual's views</b>	<b>Administration's response</b>
and HKIS	<ul style="list-style-type: none"> <li>• Section 1(5) - The three years period should be extended if there was genuine justification provided.</li> <li>• The professional academic trainings with degree level for PMPs had not been in place until 1990's. There were quite a number of well-experienced PMPs who were also senior executives of PMCs providing valuable contributions to the PM industry, but who might not be able to meet the criteria of any PMP licence. It was suggested to grandfather these reputable PMPs with a one-off permanent Tier 1 PMP licence.</li> <li>• A better planning should be exercised to ensure that there would be no great reduction of manpower in the market after enactment of the Bill. The extension of provisional licences and establishment of a practical Comprehensive Professional Development ("CPD") system for renewal of PMP licence therefore was necessary. Reference of CPD system could be taken from the PM professional bodies.</li> <li>• Special care and transitional arrangement should be given to small and medium scale</li> </ul>	

<b>Deputation/individual</b>	<b>Deputation's/individual's views</b>	<b>Administration's response</b>
	PMCs so as to let them maintain their survival in the market.	

**Name of Organization / individual****Submission (LC Paper No.)**

Chartered Institute of Housing Asian Pacific Branch  
 Housing Managers Registration Board  
 Royal Institution of Chartered Surveyors Hong Kong  
 The Hong Kong Association of Property Management Companies  
 The Hong Kong Institute of Facility Management Ltd.  
 The Hong Kong Institute of Housing  
 The Hong Kong Institute of Surveyors

LC Paper No. CB(2)2060/13-14(03)

MTR Corporation Limited

LC Paper No. CB(2)2060/13-14(10)

Ms Amy YUNG Wing-sheung, Islands District Council Member

LC Paper No. CB(2)2060/13-14(01)

宏景花園關注組

LC Paper No. CB(2)2116/13-14(02)

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