

**立法會**  
**Legislative Council**

LC Paper No. CB(2)300/14-15  
(These minutes have been seen  
by the Administration)

Ref : CB2/BC/7/13

**Bills Committee on Property Management Services Bill**

**Minutes of the 3<sup>rd</sup> meeting**  
**held on Wednesday, 15 October 2014, at 8:30 am**  
**in Conference Room 3 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 WONG Kwok-hing, BBS, MH  
Hon Cyd HO Sau-lan, JP  
Hon Starry LEE Wai-king, JP  
Hon CHAN Kin-por, BBS, JP  
Hon CHEUNG Kwok-che  
Hon IP Kwok-him, GBS, JP  
Hon Paul TSE Wai-chun, JP  
Hon Alan LEONG Kah-kit, SC  
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
- Members absent** : Hon Abraham SHEK Lai-him, GBS, JP  
Hon WONG Yuk-man  
Hon Steven HO Chun-yin
- Public Officers attending** : Item II  
Mr Jack CHAN Jick-chi, JP  
Deputy Director of Home Affairs (2)

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

**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

Mr Richard WONG  
Council Secretary (2) 2

Miss Emma CHEUNG  
Legislative Assistant (2) 2

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**I. Application for late membership**  
(LC Paper No. CB(2)2355/13-14(01))

The Bills Committee accepted the application for late membership by Mr Paul TSE.

**II. Meeting with the Administration**  
(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), CB(2)22/14-15(01) to (04) and CB(2)2189/13-14(01))

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

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3. Members noted that the Administration had provided written responses to the issues arising from the meeting on 23 July 2014 and the views and concerns expressed by deputations in respect of the policy aspects of the Property Management Services Bill ("the Bill") and the specific clauses of the Bill. Members also noted that the Administration had responded in writing to the submission dated 6 August 2014 from The Law Society of Hong Kong ("The Law Society").

4. The Chairman suggested that to facilitate a focused discussion, the Bills Committee would discuss the Administration's written responses to the views and concerns expressed by deputations in respect of the specific clauses of the Bill and the submission from The Law Society when it commenced the clause-by-clause examination of the Bill. Members raised no objection.

Follow-up actions arising from the discussion

5. Members expressed concern about Clause 7 of the Bill which provided that the prohibition against unlicensed activities under Clause 6 of the Bill would not apply to an owner's organization or individual owners who provided their own property with property management services without engaging a property management company ("PMC") or property management practitioner ("PMP"). It was suggested that an upper limit should be imposed on the number of property units self-managed by owners' corporations or other forms of owners' organizations under Clause 7(3) of the Bill. The Administration was requested -

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- (a) to provide a detailed analysis on (i) the profile of the existing 8 500 buildings (including their size and the number of property units involved) which were managed by owners' corporations or other forms of owners' organizations managing their own properties without engaging PMCs or PMPs; and (ii) the views received during the consultation exercise on whether the proposed licensing regime should apply to owners' corporations or other forms of owners' organizations managing their own buildings without engaging PMCs; and
- (b) to respond to the above suggestion.

6. There was also a suggestion that in order to retain the experienced practitioners in the property management industry, the Administration should consider adopting the grandfathering arrangement and grant permanent PMP licences to experienced in-service PMPs without

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Admin requiring them to obtain the required academic qualifications or to complete the relevant continuing professional development ("CPD") courses. The Administration was requested to provide a written response to this suggestion and advise on whether there were any proposals other than the completion of CPD courses to facilitate existing PMPs' transition into the new licensing regime.

Admin 7. There was a view that the proposed single-tier licensing regime for PMCs might not be conducive to the development of a healthy and competitive property management industry. It was suggested that the Administration should consider introducing a multi-tier licensing regime for PMCs, given that there were different types of properties in the market requiring different types of property management service. The Administration was requested to consider and provide a written response to this view and suggestion.

Admin 8. The Administration was also requested to provide detailed information on existing assistance available to owners of the so-called "three nil" buildings which were without any form of management.

**III. Any other business**

Date of next meeting

9. The Chairman reminded members that the next meeting of the Bills Committee would be held on Tuesday, 4 November 2014, at 10:45 am.

10. The Chairman said that should the Bills Committee complete the discussion on the policy aspects of the Bill at the next meeting, it would commence clause-by-clause examination of the Bill.

11. There being no other business, the meeting ended at 10:03 am.

**Proceedings of the 3<sup>rd</sup> meeting of the  
Bills Committee on Property Management Services Bill  
on Wednesday, 15 October 2014, at 8:30 am  
in Conference Room 3 of the Legislative Council Complex**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
000246 - 000303	Chairman	The Chairman's opening remarks	
<i>Agenda item I - Application for late membership</i>			
000304 - 000339	Chairman	Members accepted Mr Paul TSE's application for late membership (LC Paper No. CB(2)2355/13-14(01))	
<i>Agenda item II - Meeting with the Administration</i>			
000340 - 000958	Chairman Admin	The Administration's responses to issues arising from the discussion at the meeting on 23 July 2014 (LC Paper Nos. CB(2)22/14-15(01) to (03)) as well as its response to the issues of concern/questions raised in the submission from The Law Society of Hong Kong (LC Paper No. CB(2)22/14-15(04))	
000959 - 002104	Chairman Mr WONG Kwok-hing Admin Mr IP Kwok-him	<p>Mr WONG Kwok-hing's views that many in-service property management practitioners ("PMPs") had grave concerns about the proposed licensing requirements for PMPs and the proposed length of the transitional period for existing PMPs to prepare themselves to migrate to the new licensing regime. He suggested that the Bills Committee should consider holding another public hearing for in-service PMPs to express their views on the Property Management Services Bill ("the Bill").</p> <p>The Administration's advice on the object of the Bill and the initial proposals in respect of the licensing requirements for PMPs. In the view of the Administration, the proposed three-year transitional period should be long enough for in-service PMPs to prepare themselves to migrate to the new licensing regime. During the public consultation on the proposed regulatory regime held in 2011, the majority view was in support of the proposed three-year transitional period and there were strong calls for the early implementation of the proposed licensing regime. When determining the length of the transitional period, the Administration had endeavoured to strike a proper balance between the interests of different stakeholders. The proposed Property</p>	

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		<p>Management Services Authority ("PMSA") would collaborate with the relevant professional bodies and tertiary institutions to ensure that there was adequate training provided for PMPs to meet the licensing requirements.</p> <p>The Chairman's and Mr IP Kwok-him's counter-proposal that members could invite interested parties, including in-service PMPs, to submit views in writing for consideration by the Bills Committee. Members did not raise any further views on this matter.</p> <p>Mr IP Kwok-him's expression of support for the early implementation of the Bill for enhancing the service quality and professionalism of the property management industry. His enquiry and the Administration's elaboration on the building management statistics set out in paragraph 3 of LC Paper No. CB(2)22/14-15(01).</p>	
002105 - 002721	Chairman Deputy Chairman Admin	<p>The Deputy Chairman's enquiries and the Administration's responses on -</p> <p>(a) the Administration's proposed timing for introducing the subsidiary legislation which stipulated the detailed licensing criteria for PMPs and property management companies ("PMCs");</p> <p>(b) the estimated number of existing PMPs and the future market demand for the two tiers of licensed PMPs after the introduction of the new regulatory regime;</p> <p>(c) the development trend of the property management industry after the implementation of the licensing regime for PMCs.</p>	
002722 - 004345	Chairman Mr CHAN Kin-por Admin Mr Frankie YICK Mr Christopher CHUNG	<p>Regarding the proposal of not applying the licensing regime to owners' organizations or individual owners who provided their own properties with property management services without engaging any PMCs or PMPs, members (including Mr CHAN Kin-por, Mr Frankie YICK and Mr Christopher CHUNG) expressed deep concerns as to whether it would create loopholes for people to circumvent the legislation. In Mr CHAN's view, the Administration should set a limit on the maximum number of units for the</p>	<b>Admin to consider</b>

Time marker	Speaker	Subject(s)	Action Required
		<p>property that could be managed by an owners' corporation ("OC") or owners' organization. He indicated an intention to move Committee Stage amendments ("CSAs") to restrict the number of property units that could be self-managed under Clause 7 of the Bill, if the Administration refused to consider his suggestion.</p> <p>The Administration's response that there were around 40 000 buildings in Hong Kong. Out of the total number of buildings, around 8 500 were managed by OCs or other forms of owners' organizations managing their own properties. Most of the buildings managed by these OCs or owners' organizations were old single tenement buildings with a small number of flats. During the public consultation on the proposed regulatory regime, the majority of views received were that OCs or owners' organizations managing their own properties should not be put under the regulatory framework because it would be unfair to subject the members of management committees ("MCs") who served on a pro bono basis to hold personal legal liability under the licensing regime.</p> <p>Mr Frankie YICK's concern about the impact of the proposed licensing regime on the employment prospects of experienced in-service PMPs with lower level of educational attainment. He suggested that in order to retain the experienced practitioners in the property management industry, the Administration should consider adopting the grandfathering arrangement and grant permanent PMP licences to experienced in-service PMPs without requiring them to obtain the required academic qualifications or to complete the relevant continuing professional development ("CPD") courses. Mr Christopher CHUNG expressed support to Mr YICK's suggestion.</p>	<p><b>members' views and respond to the suggestion (para. 5 of the minutes refers)</b></p> <p><b>Admin to provide a written response (para. 6 of the minutes refers)</b></p>
004346 - 004858	Chairman Mr CHEUNG Kwok-che Admin	Mr CHEUNG Kwok-che's enquiry on measures to help improve the quality of building management of those 5 900 "three nil" buildings which were without any form of management (i.e. buildings without OCs, residents' organizations or PMCs). The Administration's response that the Home Affairs Department had spared no effort in recent years in fostering a culture of good building management through, inter alia, providing free and one-stop professional advisory service for "three nil" buildings through the Building Management	<b>Admin to provide detailed information in writing (para. 8 of</b>

Time marker	Speaker	Subject(s)	Action Required
		Professional Advisory Service Scheme and recruiting owners and residents as Resident Liaison Ambassadors in "three-nil" buildings for promoting better building management.	the minutes refers)
004859 - 010026	Chairman Mr KWOK Wai-keung Admin Miss Alice MAK	<p>Mr KWOK Wai-keung's declaration that he was a member of Eastern District Council. His views that PMCs should be required to disclose/provide PMSA with detailed information such as the portfolios managed, the number of licensed PMPs employed etc. so as to facilitate the public/property owners to make informed choices of PMCs. He and Miss Alice MAK were concerned about the impact of the proposed licensing regime on the employment prospects of experienced in-service PMPs with lower level of educational attainment. Enquiry on whether there were any proposals other than the completion of CPD courses to facilitate existing PMPs' transition into the new licensing regime.</p> <p>The Administration's response that -</p> <p>(a) to enable the public to choose PMC that suited the needs of their housing estates or buildings, one of the licensing requirements was that licensed PMCs must provide updated information to PMSA on a regular basis. PMSA would upload the information to its dedicated website for public reference; and</p> <p>(b) experienced PMPs meeting certain basic requirements would be granted provisional licences during the transitional period. They would be allowed three years to complete CPD courses so that they could be granted formal licences upon expiry of the provisional licences. PMSA would also consider accepting PMPs to submit dissertations or reports (similar to the practice of relevant professional bodies) in lieu of completion of CPD courses.</p>	Admin to provide a written response (para. 6 of the minutes refers)
010027 - 010540	Chairman Mr CHAN Kin-por Admin	<p>Mr CHAN Kin-por's declaration of interest that he was the chairman of an MC of an OC of a large housing estate comprising about 2 700 units. He reiterated his view that an upper limit should be imposed on the number of property units that could be self-managed under Clause 7 of the Bill.</p> <p>He requested the Administration to provide a</p>	



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		detailed analysis on (a) the profile of the existing 8 500 buildings (including their size and the number of property units involved) which were managed by OCs or other forms of owners' organizations managing their own properties without engaging PMCs or PMPs; and (b) the views received during the consultation exercise on whether the proposed licensing regime should apply to owners' corporations or other forms of owners' organizations managing their own buildings without engaging PMCs.	<b>Admin to provide detailed information in writing (para. 5 of the minutes refers)</b>
010541 - 011115	Chairman Mr Frankie YICK Admin	Mr Frankie YICK noted with concern whether the proposed single-tier licensing regime for PMCs would produce a negative impact on the survival of small-to-medium sized PMCs and eventually, affect the development of a healthy and competitive property management industry. He suggested that the Administration should consider introducing a multi-tier licensing regime for PMCs, given that there were different types of properties in the market requiring different types of property management service.	<b>Admin to consider and provide a written response to this view/ suggestion (para. 7 of the minutes refers)</b>
011116 - 011605	Chairman Mr Paul TSE Admin	Mr Paul TSE's enquiry and the Administration's clarification on persons and entities falling within the definitions of PMP and PMC in the Bill that would be required to obtain a PMP or PMC licence.	
011606 - 012241	Chairman Ms Claudia MO Admin Mr Paul TSE	Members' concern about the possible loophole in the proposed licensing regime arising from Clause 7 of the Bill which provided that the prohibition against unlicensed activities under Clause 6 of the Bill would not apply to an owner's organization or individual owners who provided their own property with property management services without engaging a PMC or PMP.	
012242 - 012642	Mr Frankie YICK Admin	Mr YICK's enquiry on how the future PMSA would handle complaints which were misconceived or lacking in substance. The Administration's response that while PMSA would ensure that all complaint cases were handled in a fair, impartial and independent manner, an appeal panel would be established to deal with appeals lodged by aggrieved persons. PMSA might refuse to investigate a complaint if it was trivial, frivolous, vexatious or not made in good faith. The Administration would consider introducing CSAs to provide grounds for PMSA to refuse to investigate complaints.	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
012643 - 013256	Chairman Admin Mr Frankie YICK	The Chairman's view that should the Administration maintain its stance of introducing the proposed single-tier licensing regime for PMCs, consideration might be given to requiring PMCs to employ a certain number of licensed PMPs proportionate to their business size/scale. In view of members' grave concerns over various issues, e.g. the licensing criteria for PMCs and PMPs, he requested the Administration to make available the detailed information regarding the licensing criteria etc. in order to respond to members' further enquiries at future meetings of the Bills Committee, irrespective of the fact that they would be set out in the subsidiary legislation to be introduced after the passage of the Bill.	
013257 - 013507	Chairman	Date of next meeting and closing remarks.	

Council Business Division 2  
Legislative Council Secretariat  
18 November 2014