

**Extract from the Third Annual Report on the implementation of the
Law Reform Commission's ("LRC") recommendations by the Government:
Five LRC reports on privacy issues**

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(b) Proposals implemented in part

	Report (month and year of publication) - <i>Responsible Bureau, where report not yet implemented</i>	Implementing legislation/or other relevant information, including response from the relevant bureau or department
38	<p>Description of flats on sale – Part 3: Local completed residential properties: Sales descriptions and pre-contractual matters (September 2002)</p> <p><i>Transport and Housing Bureau</i></p>	<p>Implemented by Residential Properties (First-hand Sales) Ordinance (Cap 621) (19 of 2012) (July 2012).</p> <p>The Residential Properties (First-hand Sales) Ordinance regulates the sales of completed and uncompleted first-hand residential properties.</p> <p>The regulation of the sales of second-hand local residential properties is strengthened with the assistance of the Estate Agents Authority (EAA). The EAA has required, among other things, that estate agents must provide information on the saleable area of second-hand residential properties to prospective purchasers with effect from 1 January 2013.</p>

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(e) **The Administration has no intention to implement the proposals at this juncture**

	Report (month and year of publication) - Responsible Bureau, where report not yet implemented	Implementing legislation/ or other relevant information, including response from the relevant bureau or department
62	<p>Description of flats on sale - Part 2: Overseas uncompleted residential properties (September 1997)</p> <p><i>Transport and Housing Bureau</i></p>	<p>The relevant policy bureau at the time carefully studied the LRC report in consultation with the Estate Agents Authority (EAA) after the report was published in 1997. As part of that exercise, the EAA conducted research into the law and practices of residential property sales in various jurisdictions (including New South Wales in Australia, British Columbia in Canada, England and Wales in the United Kingdom, and Mainland China). The conclusion was that the proposed regulatory scheme would not be effective, as it would apply to estate agents only, not the vendors of overseas residential properties.</p> <p>The LRC report was prepared at a time when there was a surge in the volume of sales of non-local residential properties in Hong Kong, most prominently the sales of uncompleted residential properties situated in the Mainland. Malpractices, insufficient information available to purchasers and projects where construction works were not completed were common at the time. Given the outcome of the EAA's research on the effectiveness of the proposed regulatory scheme, instead of implementing the recommendations as set out in the LRC report, the relevant policy bureau at the time decided to take an alternative approach, under which the EAA and the Consumer Council stepped up their public education efforts to raise the awareness of the public on the risks of purchasing uncompleted residential properties situated outside Hong Kong. The result has been encouraging. Complaints about the sales of uncompleted residential properties situated outside Hong Kong have significantly diminished over the years. While transactions of non-Hong Kong properties are generally outside the EAA's purview, the EAA is always concerned about licensees' conduct in the course of estate agency work and will follow up to investigate if licensees' misconduct is involved</p>

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	<p>in handling transactions of non-Hong Kong properties. The need for legislation to regulate the sales of non-local residential properties in Hong Kong does not therefore seem imminent.</p> <p>Regulating the sales of non-local residential properties conducted in Hong Kong involves complicated issues and requires careful consideration. In particular, given the advancement of information technology since the publication of the LRC report, vendors of residential properties situated outside Hong Kong can directly carry out their sales and promotional activities in Hong Kong through the internet over which the question of legal jurisdiction is not easy to resolve.</p> <p>In the circumstances, the Transport and Housing Bureau (the Bureau) is inclined not to pursue the specific recommendations of the report.</p> <p>However, the Bureau will continue to monitor the situation and if in future, there is a rise of complaints and hence the need to regulate the sales of non-local residential properties by legislation, the Bureau will look at the issue afresh and identify a suitable regulatory framework. Meanwhile, the Bureau has invited EAA and the Consumer Council to provide regular feedback on any complaints relating to sales of non-local residential properties in Hong Kong. Also, the Bureau remains open to any new ideas from LRC.</p>

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