

立法會
Legislative Council

LC Paper No. CB(4)1053/16-17
(These minutes have been seen
by the Administration)

Ref: CB4/BC/5/16

Bills Committee on Travel Industry Bill

**Minutes of the first meeting held on
Monday, 10 April 2017, at 10:45 am
in Conference Room 2 of the Legislative Council Complex**

- Members present** : Hon YIU Si-wing, BBS (Chairman)
Hon LUK Chung-hung (Deputy Chairman)
Hon WONG Ting-kwong, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon WU Chi-wai, MH
Hon MA Fung-kwok, SBS, JP
Hon CHAN Chi-chuen
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, JP
Hon Alvin YEUNG
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon Tanya CHAN
Hon LAU Kwok-fan, MH
- Members attending:** Hon CHAN Hak-kan, BBS, JP
Hon IP Kin-yuen
- Members absent** : Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Martin LIAO Cheung-kong, SBS, JP

Public Officers attending : Agenda item II
Commerce and Economic Development Bureau

Mr Aaron LIU
Deputy Commissioner for Tourism

Mr Eddie LEE
Assistant Commissioner for Tourism 1

Mr Brendan AU
Registrar of Travel Agents

Mr Nicky NG
Senior Administrative Officer (Tourism)1

Clerk in attendance : Ms Shirley CHAN
Chief Council Secretary (4)5

Staff in attendance : Ms Clara TAM
Assistant Legal Adviser 9

Ms Shirley TAM
Senior Council Secretary (4)5

Ms Lauren LI
Council Secretary (4)5

Ms Zoe TONG
Legislative Assistant (4)5

Miss Mandy LUI
Clerical Assistant (4)5

Action

I. Election of Chairman

Election of Chairman

Mr WONG Ting-kwong, the member of the highest precedence among those present at the meeting, presided over the election of Chairman. He invited nominations for the chairmanship of the Bills Committee.

2. Mr MA Fung-kwok nominated Mr YIU Si-wing and the nomination was seconded by Mr Holden CHOW. Mr YIU accepted the nomination. Mr WU Chi-wai nominated Mr Paul TSE and the nomination was seconded by Ms Tanya CHAN. Mr TSE accepted the nomination.

3. Mr WONG Ting-kwong called for other nominations. There was no other nomination. Mr Paul TSE suggested that the two candidates be given time to present their election platforms. Mr YIU Si-wing and Mr Paul TSE made their respective presentations.

4. Mr WONG Ting-kwong then proceed with the election and announced that voting be conducted by secret ballot. After all members had cast their votes, Mr WONG Ting-kwong invited Mr MA Fung-kwok and Mr WU Chi-wai who had nominated the two candidates to monitor the counting of votes.

5. Mr WONG Ting-kwong announced that nine and six members voted for Mr YIU Si-wing and Mr Paul TSE respectively. Mr WONG declared Mr YIU elected as the Chairman of the Bills Committee. Mr YIU then took the chair.

Election of Deputy Chairman

6. Members agreed to elect a Deputy Chairman of the Bills Committee.

7. The Chairman invited nominations for the deputy chairmanship. Mr HO Kai-ming nominated Mr LUK Chung-hung and the nomination was seconded by Mr Paul TSE. Mr LUK accepted the nomination. Dr CHIANG Lai-wan nominated Mr WONG Ting-kwong and the nomination was seconded by Mr WU Chi-wai. Mr WONG accepted the nomination.

8. The Chairman called for other nominations. There being no other nomination, the Chairman announced a vote by secret ballot. After all members had cast their votes, the Chairman invited Mr HO Kai-ming and Dr CHIANG Lai-wan who had nominated the two candidates to monitor the counting of votes.

Action

9. The Chairman announced that six and four members voted for Mr LUK Chung-hung and Mr WONG Ting-kwong respectively. The Chairman declared Mr LUK elected as the Deputy Chairman of the Bills Committee.

II. Meeting with the Administration

- (LC Paper No. CB(3)393/16-17 — The Bill
- File Ref: TC CR T1 22/2/26/3 — Legislative Council Brief issued by the Commerce and Economic Development Bureau
- LC Paper No. LS48/16-17 — Legal Service Division Report
- LC Paper No. CB(4)792/16-17(01) — Marked-up copy of relevant legislation to be amended by the Bill prepared by the Legal Service Division (Restricted to members only)
- LC Paper No. CB(4)792/16-17(02) — Background brief prepared by the Legislative Council Secretariat)

Declaration of interests

10. The Chairman declared that he was (a) the Deputy Chairman of a travel agent, (b) an observer of the Travel Industry Council of Hong Kong ("TICHK"), (c) the honorary chairman of some tourism associations. He would provide supplementary information on this matter after the meeting.

11. Mr Paul TSE declared that he was (a) a director and beneficial shareholder of a travel agent; (b) a member of two association members of TICHK; (c) an adviser of one association member of TICHK; (d) an adviser of a trade association which was not an association member of TICHK, (e) a member of the Tourism Strategy Group of the Tourism Commission; (f) a member of the Quality Tourism Services Sub-Committee of the Hong Kong Tourism Board; and (g) an adviser of a tourist guide association.

(Post-meeting note: The letters respectively from the Chairman and Mr Paul TSE concerning their declaration of interests were circulated to members vide LC Paper Nos. CB(4)849/16-17(01) and CB(4)994/16-17(01) on 13 April and 9 May 2017.)

Action

Discussion

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

Follow-up actions to be taken by the Administration

13. The Administration was requested to provide a written response in respect of the following issues -

- (a) given that some tourist guides/tour escorts might be employed/engaged by a travel agent/intermediary to work for a third-party travel agent, the respective liabilities (if any) of each party arising from the work of the tourist guides/tour escorts in relation to a suspected criminal offence under the Travel Industry Bill; and
- (b) the regulatory framework (including the enforcement) provided for on-line travel agents under the Travel Industry Bill with reference to the specific provisions in the Bill .

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)955/16-17(02) on 5 May 2017.)

III. Any other business

Invitation of views and date of next meeting

14. Members agreed to post a notice on LegCo's website and write to the 18 District Councils ("DC") to invite views from the public and DCs on the Bill.

15. Members also decided that the Bills Committee would meet with deputations to receive views on the Bill at the second meeting to be held on 9 May 2017.

(Post-meeting note: The notice was posted on LegCo website and letters were sent to DCs and relevant organizations on 12 April 2017.)

16. There being no other business, the meeting ended at 12:42 pm.

**Proceedings of the first meeting of
the Bills Committee on Travel Industry Bill
on Monday, 10 April 2017, at 10:45 am
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Election of Chairman			
000201 – 001446	Mr WONG Ting-kwong Mr MA Fung-kwok Mr Holden CHOW Mr YIU Si-wing Mr WU Chi-wai Ms Tanya CHAN Mr Paul TSE	Election of Chairman	
001447 – 002106	Chairman Ms Tanya CHAN Mr HO Kai-ming Mr Paul TSE Mr LUK Chung-hung Dr CHIANG Lai-wan Mr WU Chi-wai Mr WONG Ting-kwong	Election of Deputy Chairman	
Agenda item II – Meeting with the Administration			
002107 – 002144	Chairman	Welcome remarks	
002145 – 002316	Chairman Mr Paul TSE	Declaration of interests	
002317 – 003413	Chairman Administration	Briefing by the Administration on the Travel Industry Bill ("the Bill") with the aid of powerpoint presentation [LC Paper No. CB(4)827/16-17(01)]	
003414 – 003933	Chairman Mr POON Siu-ping Administration	<p>Mr POON Siu-ping expressed concern about the implication of the Bill on frontline practitioners. In particular, he asked about the representation of tourist guides and tour escorts in the Travel Industry Authority ("TIA"), the education requirements imposed on tourist guides and tour escorts under respective licensing systems, and how criminal offences relating to tourist guides and tour escorts were provided for under the Bill.</p> <p>The Administration responded that –</p> <p>(a) when appointing members to serve on TIA, the Government would take into account candidates' ability, expertise and experience, with due regard to the functions and powers of TIA. While there would be representation of travel agents,</p>	

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		<p>tourist guides and tour escorts in TIA, the exact numbers of them had not been decided yet;</p> <p>(b) the requirements for issuing tourist guide licences and tour escort licenses in the Bill were drawn up with reference to the requirements under the Travel Industry Council of Hong Kong ("TICHK")'s existing accreditation systems. The education requirement would be completion of Form 5 education under the 5-year secondary academic structure, or Senior Secondary 3 education under the New Senior Secondary academic structure (or equivalent). This requirement was generally agreed by the trade during the previous consultations; and</p> <p>(c) the Bill contained express provisions to criminalize certain unscrupulous acts in the travel trade, such as working as a tourist guide/tour escort without a valid tourist guide/tour escort licence. Furthermore, the Bill empowered TIA to impose on tourist guides and tour escorts licence conditions to be prescribed by subsidiary legislation, mainly to tackle problems arising from their personal misconduct, particularly coerced shopping. The Bill also empowered TIA to issue directives for regulating tourist guides and tour escorts, such as requiring them to wear licences whilst working. Contravention of a directive might attract a disciplinary order (e.g. warning, reprimand, licence suspension or revocation).</p>	
003934 – 004727	Chairman Mr HO Kai-ming Administration	<p>Mr HO Kai-ming expressed grave concern about the "false self-employment" problem among tourist guides and tour escorts in the travel industry, while a relevant motion had been passed by the Panel on Economic Development. He said that the tourist guides/tour escorts concerned were not entitled to the employee's rights, especially the protection of labour insurance. To this end, he urged the Administration to regulate the employment relationship between travel agents and tourist guides/tour escorts under the Bill by requiring them to enter into proper employment agreements instead of service agreements, so as to protect the rights and interests of tourist guides/tour escorts.</p> <p>The Administration considered it important for travel agents and tourist guides/tour escorts to understand clearly their mode of cooperation according to their</p>	

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		<p>intention and clarify their status before entering into a contract. Any disputes arising from such matters could be dealt with under the current judicial system, with relevant court cases and considerations already available. On the proposal to regulate the work relationship between travel agents and tourist guides/tour escorts to be an employment one, the Administration noted that the views of different stakeholders in the trade were diverse and that so far there was no sector where the work relationship was mandated to be an employment one at present. In view of the far-reaching implications arising from the proposal, the Administration considered it necessary to gauge further views from the industry before deciding on the appropriate way forward.</p> <p>Mr HO pointed out that the rights and interests of tourist guides/tour escorts should be properly protected, especially when they might be held responsible for committing unscrupulous acts under the new ordinance, even though they just followed the travel agents' instructions when working.</p> <p>The Administration stressed that there were similar regulatory requirements under which staff were held responsible for the criminal offences arising from their personal misconduct when working in other sectors. To uphold the impartiality in handling complaints against the travel trade, the Bill provided for the establishment of an independent appeal panel to handle appeals lodged by persons who were aggrieved by TIA's decisions or the inquiry committee's disciplinary orders. To address the concerns of some tourist guides and tour escorts that their work was mainly subject to the directions or arrangements of travel agents, TIA would impose a directive to require a travel agent to provide a job sheet to delineate the tasks and duties for its tourist guide(s)/tour escort(s). If the tourist guide/tour escort had fulfilled his/her tasks and duties appropriately without committing or otherwise getting involved in any misconduct, he/she would not be held responsible for the unscrupulous act committed by others under the new regulatory framework.</p> <p>The Chairman asked whether self-employed tourist guides/tour escorts would be held liable for the criminal offences under the new ordinance.</p> <p>The Administration said that TIA would conduct an investigation into each suspected case of any criminal offence committed under the new ordinance by</p>	

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		<p>looking into the facts of the case and gathering sufficient evidence to ascertain the party(ies) that had committed the offence. Prosecution would be carried out subject to consideration by the Department of Justice.</p>	
004728 – 005357	<p>Chairman Mr Paul TSE Administration</p>	<p>Declaration of interests</p> <p>Mr Paul TSE expressed concern about the absence of Secretary for Commerce and Economic Development ("SCED") for the meeting and his role on implementing the new regulatory regime. Given the large volume of the Bill and its importance for the trade, he requested SCED to attend the next meeting of the Bills Committee to exchange views with members and stakeholders.</p> <p>The Administration explained that it was the Government's practice to deploy appropriate officials to attend the meetings of Legislative Council ("LegCo") having regard to the subject matters involved. Throughout the preparations for the tourism reform since 2011, SCED and relevant officials of the Tourism Commission had been fully involved. SCED had also briefed the Panel on Economic Development about the progress of the Bill in person at its meeting on 23 January 2017. The Administration would relay Mr TSE's request to SCED for consideration.</p>	
005358 – 010139	<p>Chairman Mr WU Chi-wai Administration</p>	<p>Mr WU Chi-wai enquired how on-line travel business activities would be regulated, particularly obtaining of travel services by freelance tourist guides through the on-line platform. He said that such new modes of travel businesses should not be overly regulated or otherwise their sustainability might be adversely affected. He also enquired how the information about whistleblowers revealing the unscrupulous acts of third parties to TIA would be kept confidential.</p> <p>The Administration explained that to regulate on-line travel agents, the Bill provided that any persons that carried on any outbound travel business activities at a place outside Hong Kong and actively marketed, whether in Hong Kong or from a place outside Hong Kong, to the public of Hong Kong any of such business activities would be required to obtain travel agent licences and came under the new regulatory regime. The proposal was put forward in response to the growing popularity of buying travel products through on-line travel agents among Hong Kong</p>	

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		<p>citizens, the need for greater protection to the outbound travellers of Hong Kong and the trade's request for a level-playing field between travel agents with and without physical presence. The Administration added that freelance tourist guides who directly obtained inbound travel services (i.e. carriage to Hong Kong, accommodation, sightseeing, meals, shopping trips, and/or local transport) for visitors to Hong Kong might be considered to be carrying on travel agent business and would be subject to regulation.</p> <p>The Administration added that, in view of some past incidents in which the service quality and professional standard of tourist guides had directly affected the safety and interests of tourists, the Administration considered it important to regulate these practitioners under the new regulatory regime in order to accord greater protection to tourists and fostering the healthy long-term development of the industry. Given that a vast majority of existing travel agents were small and medium-sized enterprises and subject to regulation, it was envisaged that those that carried on new modes of travel business would not encounter substantial difficulty in complying with the future regulatory regime.</p>	
010140 – 010754	Chairman Deputy Chairman Administration	<p>The Deputy Chairman relayed the concerns of the associations of tourist guides/tour escorts that the respective liabilities of travel agents and tourist guides/tour escorts (if any) in relation to criminal offences arising from the travel services provided were unclear under the Bill. This would create loopholes for travel agents to avoid taking up the liabilities arising from the travel services, for example by outsourcing the service provision to tourist guides/tour escorts under "false self-employment", or by appointing an intermediary which might deploy unlicensed persons to provide the services. To plug the loopholes, the Bill should clearly stipulate the work relationship between travel agents and tourist guides/tour escorts, so as to protect the interests of frontline practitioners and consumers.</p> <p>The Administration said that TIA would conduct investigations into cases of suspected unscrupulous acts of the travel trade to ascertain the party(ies) liable. In a case of coerced shopping by a tourist guide, if there was sufficient evidence showing that the travel agent concerned was involved in the act of coerced shopping, the travel agent would also be liable for the unscrupulous act.</p>	

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		<p>In response to the Deputy Chairman's enquiry, the Administration explained that the Chinese text "僱用" and "聘用" in clause 41 referred to "employ" and "engage" respectively, and that "聘用"/"engage" referred to any work relationship between a travel agent and a tourist guide/tour escort other than an employment one. The Administration would consider whether there was a need to adjust the Chinese text to enhance clarity.</p>	
010755 – 011314	Chairman Mr MA Fung-kwok Administration	<p>Mr MA Fung-kwok noted that, under the guarantee money requirement, all newly established travel agents would be required to immediately deposit guarantee money of \$500,000, whilst existing travel agents would be required to deposit guarantee money if their non-compliance exceeded certain levels specified by TIA. He expressed concern about the implication of such a requirement on new market entrants.</p> <p>The Administration said that this arrangement sought to raise the threshold for setting up travel business in response to the views from the public consultation in 2011 that the current threshold was too low. On the other hand, noting that most of the existing travel agents were law-abiding and compliant, the Administration considered it appropriate to subject the existing travel agents to the guarantee money requirement by reference to levels of their non-compliance under the new regulatory regime. In any case, for existing and new travel agents, the deposit of guarantee money would be in the form of bank guarantee.</p> <p>Mr MA also considered that there were loopholes for regulating on-line travel agents under the new regulatory regime. He queried the way to determine which marketing activities were targeted at the public of Hong Kong, and how to effectively regulate on-line travel agents as some were operating outside Hong Kong. He said that, given the difficulty in regulating on-line travel business, some existing licensed travel agents might turn to operate their businesses on-line under the new regulatory regime.</p> <p>The Administration explained that the proposed regulation sought to accord greater protection to Hong Kong consumers as far as practicable and address the views of the trade. As for on-line travel agents operating on the Mainland that were considered to be unlicensed under the new ordinance, TIA would</p>	

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		<p>notify the China National Tourism Association ("CNTA") to seek its assistance as appropriate. As for on-line travel agents operating overseas that were considered to be unlicensed under the new ordinance, efforts would be made to contact the relevant tourism authorities for follow-up as appropriate. To strengthen consumer education, TIA would also publish up-to-date lists of licensed travel agents (no matter operating on-line or with physical presence) from time to time to assist local consumers in ascertaining and choosing licensed travel agents under the new ordinance. Currently, some major on-line travel agents had already obtained travel agent licences from the Travel Agents Registry. The Administration would continue to explain the new regulatory regime to on-line travel agents.</p>	
011315 – 012000	<p>Chairman Administration Mr WONG Ting-kwong</p>	<p>Echoing the concern raised by the Deputy Chairman, the Chairman said that some tourist guides/tour escorts might be employed/engaged by a travel agent/intermediary to work for a third-party travel agent. In this connection, he asked about the liabilities (if any) of each party arising from the work of the tourist guides/tour escorts in relation to a suspected criminal offence under the Bill.</p> <p>The Administration explained that TIA would consider the facts of the case to ascertain which party(ies) had obtained travel services for an inbound tour group and whether the party(ies) should be held liable. If the travel agent had entered into a service agreement with the tourist guide without any intermediary involved, the travel agent might be held liable for the case. If an intermediary was involved, TIA would look into relevant facts including the terms of the agreement in determining which party(ies) should be held liable.</p> <p>Mr WONG Ting-kwong suggested that the Administration could specify the way to determine the relationship among a travel agent, an intermediary and a tourist guide/tour escort by making reference to relevant provisions of the Employment Ordinance (Cap. 57), so as to ascertain the liabilities of those parties in a case of suspected misconduct.</p> <p>The Chairman also enquired whether TIA would have a role in the formulation of the Government's policy concerning the future development of the industry, and urged the Administration to stipulate expressly the TIA's roles and functions on enhancing the industry's development in the Bill.</p>	<p>The Administration to follow up as per paragraph 13(a) of the minutes</p>

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		<p>The Administration said that the main function of TIA was to regulate the travel industry. To facilitate the continuous development and enhance the professionalism of Hong Kong's travel industry, the Bill empowered SCED to prescribe by subsidiary legislation a certain percentage of the Travel Industry Compensation Fund as the maximum funds that TIA might set aside to establish a new fund called the "Travel Industry Development Fund", which would be managed by TIA. TIA would determine the scope of the new fund having regard to the views gathered from the trade, and monitor the effectiveness of the usage of the fund.</p>	
012001 – 012633	Chairman Mr Paul TSE Administration	<p>Mr Paul TSE expressed concern about the feasibility of regulating on-line travel agents. He asked about the detailed enforcement plan and the common practice overseas, as well as the progress of the Administration in reaching agreements with tourism authorities on the relevant regulation.</p> <p>The Administration said that it was prudent to confine the regulatory scope of on-line travel agents to those that actively marketed outbound travel services to the public of Hong Kong. To assess this aspect, TIA would consider the facts of each case, including whether the language used for marketing the business activities was Cantonese (oral) or Chinese (written), whether the payment currency was Hong Kong dollar, etc. The Administration had liaised with CNTA in regulating relevant on-line travel agents operating on the Mainland. Liaison with relevant tourism authorities in other jurisdictions would be undertaken in future. In fact, regulation of on-line travel agents was relatively new around the world. The Government would continue to monitor the relevant regulatory experience in other jurisdictions.</p>	
012634 – 013405	Chairman Mr WU Chi-wai Administration	<p>Mr WU Chi-wai said that, since the new regulatory regime had provided for a licensing mechanism to regulate the activities of travel agents, the requirements imposed on new market entrants and those on-line travel agents should not be too stringent so as to facilitate healthy competition. He sought further information about the scope of on-line travel agents subject to regulation.</p> <p>The Administration explained that only those on-line travel agents that actively marketed outbound travel business activities to the public of Hong Kong would</p>	

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		<p>be regulated. On the other hand, those on-line travel agents that carried on inbound travel business activities in other jurisdictions would not be subject to the regulatory scope of the new ordinance, but to the regulation of the relevant authorities in the jurisdictions concerned. The Administration further explained that travel agents that obtained outbound travel services for outbound travellers from the Mainland would be subject to the Tourism Law of the People's Republic of China, while travel agents in Hong Kong that obtained inbound travel services for the relevant Mainland visitors to Hong Kong would come under the regulatory regime in Hong Kong.</p> <p>In response to Mr WU's further enquiry, the Administration explained that, in accordance with clause 4(4) of the Bill, a person merely operating coach services for transporting tourists or operating a sightseeing attraction would not be regarded as carrying on travel agent business. However, if a person obtained for a visitor to Hong Kong, for example, carriage and/or accommodation, he or she would be regarded as carrying on travel agent business under the Bill. This arrangement was in line with the current practice under the Travel Agents Ordinance (Cap. 218).</p> <p>Mr WU also requested the Administration to provide written information about the regulatory framework (including the enforcement) provided for on-line travel agents under the Bill with reference to the specific provisions in the Bill.</p>	<p>The Administration to follow up as per paragraph 13(b) of the minutes</p>
013406 – 013727	Chairman Mr MA Fung-kwok Administration	<p>Mr MA Fung-kwok cast doubts on the practicability to regulate on-line travel agents, and suggested that the Administration should take enforcement action actively, such as disclosing the information about unlicensed on-line travel agents and inviting the media not to advertise their services.</p> <p>The Administration said that, without a common international practice on this matter, it would regulate on-line travel agents with practicable measures, such as disclosure of relevant information.</p>	
013728 – 014007	Chairman Mr POON Siu-ping Administration	<p>Mr POON Siu-ping noted that a disciplinary committee would be established by TIA for handling complaints against the travel trade. He asked further information about this committee, including the representation of trade and non-trade members and its independence in discharging its functions.</p>	

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		<p>The Administration explained that members of the disciplinary committee would be appointed by TIA and such an appointment arrangement was in line with that of other regulatory bodies. While a majority of the committee members were non-trade members, there would be some trade members in the committee so as to assist the committee with their experience and knowledge in discharging its functions. If necessary, the disciplinary committee would establish an inquiry committee to conduct an inquiry into the case. The inquiry committee would comprise a chairperson and at least two ordinary members from the disciplinary committee. To ensure the impartiality of the inquiry committee, the majority of its members (including the chairperson) would be non-trade members. All members of the disciplinary committee would be non-remunerated.</p>	
<p>014008 – 014546</p>	<p>Chairman Mr CHAN Chi-chuen Administration</p>	<p>Mr CHAN Chi-chuen expressed concern about the regulatory scope of on-line travel agents. He considered that –</p> <ul style="list-style-type: none"> (a) it was difficult to ascertain whether the travel business activities marketed on-line were targeted at the public of Hong Kong and some of them might be simply targeted at consumers with particular interests; (b) it was difficult to determine whether on-line travel agents had "actively marketed" the travel business activities, and their marketing efforts might be amplified by other media users with the use of mobile technology; (c) the payment currency or language used for marketing relevant business activities might be irrelevant to ascertaining the target consumers and the proposed filtering of the advertisements concerned would be hard to take forward; (d) it might be more effective to announce a list of unlicensed on-line travel agents to achieve the deterrent effect and educate the public; and (e) the new regulatory regime, especially the guarantee money requirement, might drive on-line travel agents out of the market. <p>The Administration said that, in determining the regulatory scope of on-line travel agents, the</p>	

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		<p>Administration had made reference to other pieces of legislation, such as the Insurance Companies (Amendment) Ordinance 2015 and the Securities and Futures Ordinance (Cap. 571). The proposed regulatory scope under the new ordinance provided legal backing for TIA to bring relevant on-line travel agents under regulation with a view to strengthening consumer protection. The guarantee money requirement was intended to ensure that all newly established travel agents, including large-sized international ones, were financially committed to carrying on travel agent business under the new regulatory regime.</p>	
014547 – 015110	Chairman Administration	<p>The Chairman noted that the charging levels of the major sources of revenue of TIA, including levies on outbound fares and licence fees, would be maintained at the prevailing levels for five years upon the commencement of the new ordinance and the Government would apply to LegCo for a one-off capital grant as seed money to support the initial operation of TIA. He enquired about the amount of seed money required by TIA and the levels of such fees and levies after the freezing period.</p> <p>The Administration replied that it would conduct a detailed study on the amount of seed money required by TIA and engage a consultant to assist in the study. It would seek LegCo's approval for the funding proposal in due course after completing the study. The Administration envisaged that TIA would adopt an incremental approach in raising the levels of its various charges over the years after the five-year freeze.</p> <p>The Chairman also enquired about the candidates identified or the criteria to be adopted for TIA in choosing a suitable service provider to deal with emergencies involving inbound and outbound tour groups.</p> <p>The Administration envisaged that such a service provider should have a good understanding of the trade's operations and maintain close liaison with the trade so as to discharge its functions effectively. Once TIA was established upon the passage of the Bill, it would carry out the necessary preparations for the full commencement of the new ordinance, including working out the mechanism for dealing with emergencies involving tour groups.</p>	

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015111 – 015633	Chairman Deputy Chairman Administration	<p>The Deputy Chairman expressed concern about the representation of tourist guides and tour escorts in TIA. He said that these frontline practitioners were the key stakeholders of the trade and would be largely affected by the new regulatory regime, and thus the Administration should specify their numbers in TIA explicitly in the Bill.</p> <p>The Administration said that the Government would take into account candidates' ability, expertise and experience when considering the appointment, with due regard to the functions and powers of TIA. To provide for flexibility for TIA, the numbers of representatives from travel agents, tourist guides and tour escorts would not be specified in the Bill. Nevertheless, all these three sectors would be represented in TIA. This proposal was an improvement as compared with the current arrangement of TICHK's Board of Directors, of which all trade members were from travel agents.</p> <p>The Deputy Chairman asked if the pass fees for tourist guides and tour escorts would be waived given the waiver of licence fees for travel agents.</p> <p>The Administration explained that the fee levels of tourist guide passes and tour escort passes were administered by TICHK under its current accreditation systems. Under the new regulatory regime, the fee levels of tourist guide licences and tour escort licences would be determined by TIA having regard to relevant considerations including the views and affordability of tourist guides and tour escorts.</p>	
Agenda item III – Any other business			
015634 – 015810	Chairman Deputy Chairman	<p>Invitation of views</p> <p>Date of next meeting</p>	