

立法會
Legislative Council

LC Paper No. CB(4)550/18-19
(These minutes have been seen
by the Administration)

Ref: CB4/BC/5/16

Bills Committee on Travel Industry Bill

**Minutes of the fifteenth meeting held on
Monday, 4 June 2018, at 4:30 pm
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, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon WU Chi-wai, MH
Hon CHAN Chi-chuen
Hon Martin LIAO Cheung-kong, SBS, JP
Hon POON Siu-ping, BBS, MH
Dr Hon CHIANG Lai-wan, JP
Hon Alvin YEUNG
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon LAU Kwok-fan, MH

Members absent : Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Dr Hon Junius HO Kwan-yiu, JP
Hon HO Kai-ming

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

Mr Aaron LIU
Deputy Commissioner for Tourism

Mr LEE Sheung-yuen
Assistant Commissioner for Tourism (1)

Mr Nicky NG
Senior Administrative Officer (Tourism) 1

Mr Brendan AU
Registrar of Travel Agents

Department of Justice

Mr Michael LAM
Senior Assistant Law Draftsman

Mr Jonathan LUK
Senior Government Counsel (Acting)

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

Action

I. Meeting with the Administration

[LC Paper Nos. CB(3)393/16-17, CB(4)792/16-17(01),
CB(4)1101/16-17(02), CB(4)1578/16-17(01), CB(4)74/17-18(01),
CB(4)246/17-18(01), CB(4)346/17-18(03), CB(4)491/17-18(01),
CB(4)551/17-18(01), CB(4)842/17-18(01), CB(4)852/17-18(02) and
CB(4)1173/17-18(01) to (02)]

Action

Declaration of interests

The Chairman declared that he was holding a remunerated post in a travel agent. He was also the unremunerated honorary chairmen/advisers of nine tourism related associations. Details were set out in the LC Paper No. CB(4)849/16-17(01).

Discussion

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

(At 6:29 pm, the Chairman directed that the meeting be extended for 5 minutes.)

Follow-up action to be taken by the Administration

3. Clauses 147 and 148 respectively require a licensed travel agent to pay the Travel Industry Authority levy and the Travel Industry Compensation Fund levy in respect of every outbound fare received by the travel agent. The Administration was requested to clarify whether payments paid by outbound travellers outside Hong Kong in relation to an outbound tour (e.g. tips for tourist guides/tour escorts and fees for optional activities/transportation arrangement) and outbound fares paid to on-line travel agents based outside Hong Kong would be subject to the levies.

(Post-meeting note: The Administration's written response was issued to members vide LC Paper No. CB(4)1243/17-18(02) on 15 June 2018.)

II. Any other business

Date of next meeting

4. The Chairman advised that the next meeting of the Bills Committee would be held on Wednesday, 20 June 2018 at 8:45 am.
5. There being no other business, the meeting ended at 6:32 pm.

**Proceedings of the fifteenth meeting of
the Bills Committee on Travel Industry Bill
on Monday, 4 June 2018, at 4:30 pm
in Conference Room 2 of the Legislative Council Complex**

Time marker	Speaker	Subject(s)	Action required
Agenda item I – Meeting with the Administration			
001528 – 001536	Chairman	Opening remarks	
001537 – 001629	Chairman	Declaration of interests [LC Paper No. CB(4)849/16-17(01)]	
001630 – 003609	Chairman Administration	Briefing by the Administration on its response to issues raised at the previous meeting [LC Paper No. CB(4)1173/17-18(02)]	
Continuation of clause-by-clause examination			
003610 – 004108	Chairman Administration Mr Paul TSE	<p><u>Clause 131 – Hearing generally public</u></p> <p><u>Clause 132 – Prohibition on disclosure of appeal matters</u></p> <p>The Administration advised that while an appeal hearing would generally be held in public, clauses 131(2) and 132 empowered the appeal board to direct that the hearing or any part of the hearing be held in private after consulting the parties to the appeal.</p>	
004109 – 004759	Chairman Administration Mr Paul TSE	<p><u>Clause 133 – Abandonment of appeal</u></p> <p>The Administration advised that the Travel Industry Authority ("TIA") would make reference to the practice adopted by the Travel Industry Council of Hong Kong ("TIC") in formulating procedures and guidelines on abandonment of an appeal, including payment of the costs incurred in relation to the hearing.</p>	
004800 – 011338	Chairman Administration Mr LAU Kwok-fan	<p>Part 9 – Travel Industry Compensation Fund and Levies</p> <p>Discussion on the scope of the Travel Industry Compensation Fund ("TICF")</p> <p>Mr LAU Kwok-fan referred to his previous letter [LC Paper No. CB(4)842/17-18(01)] and suggested that the Administration should review the scope and operation of TICF to cover the outbound travellers who had paid for only one of the outbound travel services or arrangements described in clause 139.</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>The Administration advised that all relevant factors including risk assessment, operations of travel agents, the financial position of TICF and levy rate, consumer protection, etc. would need to be holistically considered and weighed when reviewing the relevant arrangements. The Administration added that, as explained at previous meetings, the Bill had already enhanced the protection for outbound travellers under TICF by defining "outbound package" as a combination of two or more outbound travel services and arrangements relating to the same tour (i.e. no matter whether such services and arrangements are bought at the same time or at different times from a travel agent).</p>	
011339 – 013143	<p>Chairman Administration Mr LAU Kwok-fan</p>	<p><u>Clause 141 – Powers of Authority in relation to Compensation Fund</u></p> <p>On the Chairman's concern about the investment return of TICF, the Administration said that TIA would adopt a prudent strategy in managing TICF with a view to making ex gratia payments only when necessary while earning a reasonable investment return.</p> <p>In response to Mr LAU Kwok-fan's enquiry, the Administration advised that travel agents were currently liable to pay TIC levy and TICF levy under the Travel Agents Ordinance (Cap. 218). TIC levy would be replaced by TIA levy upon the full commencement of the ordinance. The fund accumulated under TICF would be transferred to and managed by TIA by then.</p>	
013144– 014600	<p>Chairman Administration Mr Paul TSE</p>	<p><u>Clause 147 – Authority levy</u></p> <p><u>Clause 148 – Fund levy</u></p> <p>Discussion on the protection by TICF to travellers under different situations.</p> <p>The Administration was requested to provide a written response to clarify whether payments paid by outbound travellers outside Hong Kong in relation to an outbound tour (e.g. tips for tourist guides/tour escorts and fees for optional activities/transportation arrangement) and outbound fares paid to on-line travel agents based outside Hong Kong would be subject to TIA and TICF levies.</p>	<p>The Administration to follow up as per paragraph 3 of the minutes</p>

Time marker	Speaker	Subject(s)	Action required
014601 – 015939	Chairman Administration Mr Paul TSE	<p><u>Clause 149 – Electronic system</u></p> <p>Discussion on the operation of electronic levy system</p> <p>To facilitate the making of levy payments by the trade and the checking of the levy payment status by outbound travellers, the Administration advised that travel agents would be encouraged to pay levies through the electronic levy system to TIA in future.</p>	
015940 – 020633	Chairman Administration Mr Paul TSE	<p>Division 5 – Miscellaneous</p> <p><u>Clause 150 – Regulations for Part 9</u></p> <p>Discussion on the formulation of subsidiary legislation and transitional arrangements</p> <p>The Administration advised that TIA would need about two years to finish all necessary preparations in order to take over the trade regulatory and licensing functions from TIC and the Travel Agents Registry respectively for the full implementation of the new regulatory regime. After the passage of the Bill by the Legislative Council, the Administration would commence preparations for implementing the new regulatory regime, including seeking resources to set up TIA and enable it to recruit staff to handle tasks including, among other things, formulation of subsidiary legislation, guidelines, directives, codes of conduct and other administrative arrangements.</p>	
Agenda item II – Any other business			
020634 – 020702	Chairman	<p>Date of next meeting</p> <p>Closing remarks</p>	