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Panel on Food Safety and Environmental Hygiene

Information note prepared by the Legislative Council Secretariat for the meeting on 11 July 2017

Liquor licence: applications and fees

Under the Dutiable Commodities (Liquor) Regulations (Cap. 109B) ("DCLR"), the sale or supply of liquor at any premises for consumption on those premises is prohibited except under a liquor licence. The Liquor Licensing Board ("LLB") is an independent statutory body established under DCLR to consider liquor licence applications. Regulation 17 of DCLR stipulates that LLB must not grant a liquor licence unless it is satisfied that:

- (i) the applicant is a fit and proper person to hold the licence;
- (ii) the premises to which the application relates are suitable for selling or supplying intoxicating liquor; and
- (iii) the grant of the licence is not contrary to the public interest.

Procedures for assessing liquor licence applications

In considering new liquor licence applications, LLB consults the relevant Government departments, including the Police, the Buildings Department, the District Offices via the Licensing Office of the Food and Environmental Hygiene Department ("FEHD"). These departments examine the applications (covering matters including the background of the applicant, the suitability of the premises and possible reaction of the neighbourhood), make analysis and assessment, and provide advice to LLB. An applicant shall, at least two weeks before LLB considers the application, place advertisements in three newspapers in accordance with section 16 of DCLR. The same is also posted on LLB's website. For cases with neither objection nor adverse comments, FEHD will approve the applications under the authority delegated by LLB. For

contentious cases¹, LLB will conduct closed-door meetings. For contested cases², LLB will conduct open hearings to listen to representations from the applicants, the objectors and the relevant Government departments. LLB arrives at a decision on each case after the relevant case has been scrutinized and deliberated, taking into consideration the views from relevant Government departments, the applicant and the objector(s). Pursuant to section 17(5) of DCLR, an applicant or residents to which the application relates may appeal to the Municipal Services Appeals Board if they are not satisfied with the decision made by LLB.

- In 2011, the Administration consulted the public on its review of the liquor licensing system and subsequently put in place a number of administrative measures to improve the system. Under the new consultation mechanism which has come into operation since May 2013, in respect of applications for renewal/transfer of liquor licence involving premises which are recorded with objection to the previous licence application or are the subject of complaints in the preceding 12 months, the District Council member of the respective geographical constituency where the premises are located will be consulted as a matter of course before the case is put before LLB. In December 2013, LLB published the "Guidelines on Assessing Liquor Licence Applications", setting out the factors that are to be taken into account when assessing liquor licence applications to enhance transparency and facilitate compliance by the trade.
- In its reply to a question raised by a Member in examining the Estimates of Expenditure 2017-2018, the Administration advised that the total number of liquor licence applications received in 2014, 2015 and 2016 were 8 630, 8 936 and 6 520 respectively. The average time taken for processing an application was 37 days in both 2014 and 2015; and 43 days (for 1-year liquor licence) and 37 days (for 2-year liquor licence) in 2016. At the special Finance Committee meeting on 6 April 2017, concern was raised about the long processing time required for liquor licence applications. The Administration was urged to deploy additional manpower to handle the applications so as to shorten the processing time. The Administration advised that apart from manpower, the processing time for an application was contingent upon the time spent by the applicant in complying with the relevant licensing requirements, settling objections raised by the public or other departments concerned and addressing relevant land issues, if any.

In these cases, LLB has received adverse comment(s) in relation to the liquor licence applications from members of the public or the relevant Government departments, but there is no objection.

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² In these cases, LLB has received objection(s) in relation to the liquor licence applications from members of the public or the relevant Government departments.

Liquor licence fees

- On 3 August 2015, the Dutiable Commodities (Liquor) (Amendment) Regulation 2015 and the Dutiable Commodities (Liquor Licences) (Fees) (Amendment) Regulation 2015 came into operation. While the former item of subsidiary legislation has extended the maximum validity period of a liquor licence from one year to two years and facilitated electronic submission of applications for the issue/renewal of liquor licence, the latter has provided that the fees for a licence that is valid for a period of two years, or any period more than one year but less than two years, be set at a level which is 1.5 times the fees prescribed for a one-year licence. The existing fees in respect of liquor licences are in the **Appendix**. During the scrutiny of the above two items of subsidiary legislation, the Administration informed members of the relevant subcommittee that a comprehensive review of fees for liquor licences (including the licence renewal service) on a full cost recovery basis was underway³.
- 6 The Administration will brief members on improvement measures for processing liquor licence applications and findings of its review of fees at the Panel meeting on 11 July 2017.

Council Business Division 2
<u>Legislative Council Secretariat</u>
5 July 2017

The deliberations of the relevant Subcommittee are detailed in its report (LC Paper No. CB(2)1002/14-15), which is available at the website of the Legislative Council.

Fees in respect of Liquor Licences

| Item | Matter | Fee |
|------|---|--------|
| 1. | The issue or renewal of a liquor licence (other than a club liquor licence) – | |
| | (a) if a bar is kept on the premises concerned – | |
| | (i) for a licence valid for 1 year | \$3940 |
| | (ii) for a licence valid for more than 1 year | \$5910 |
| | (b) if no bar is kept on the premises concerned – | |
| | (i) for a licence valid for 1 year | \$1990 |
| | (ii) for a licence valid for more than 1 year | \$2990 |
| 2. | The issue or renewal of a club liquor licence - | |
| | (a) if a bar is kept on the premises concerned – | |
| | (i) for a licence valid for 1 year | \$1100 |
| | (ii) for a licence valid for more than 1 year | \$1650 |
| | (b) if no bar is kept on the premises concerned – | |
| | (i) for a licence valid for 1 year | \$1100 |
| | (ii) for a licence valid for more than 1 year | \$1650 |
| 3. | The transfer of a liquor licence | \$140 |
| 4. | Any amendment to a liquor licence | \$140 |
| 5. | The issue of a duplicate of a liquor licence | \$140 |