

# **立法會**

## ***Legislative Council***

LC Paper No. CB(2)1877/16-17(03)

Ref : CB2/PL/HA

### **Panel on Home Affairs**

#### **Updated background brief prepared by the Legislative Council Secretariat for the meeting on 17 July 2017**

#### **Review of the Hotel and Guesthouse Accommodation Ordinance**

#### **Purpose**

This paper provides background information on the Administration's review of the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) ("HAGAO"), and highlights major concerns of members of the Panel on Home Affairs ("the Panel") on the subject.

#### **Background**

2. Operation of hotels and guesthouses in Hong Kong is regulated by HAGAO. According to the Administration, the primary purpose of HAGAO was to ensure, through the implementation of a licensing regime, that premises intended to be used as hotels and guesthouses<sup>1</sup> meet the building structure and fire safety standards specified in the Buildings Ordinance (Cap. 123) and the Fire Services Ordinance (Cap. 95), so as to safeguard lodgers and the public. The Office of the Licensing Authority ("OLA") under the Home Affairs Department ("HAD") is delegated by the Hotel and Guesthouse Accommodation Authority ("the Authority")<sup>2</sup> for implementing HAGAO, including issuing licences and performing relevant regulatory and enforcement duties.

3. In the light of public concerns about the incident of a No. 3 alarm fire at the Continental Mansion in North Point on 29 December 2013 which caused

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<sup>1</sup> As stipulated by HAGAO, any premises providing sleeping accommodation at a fee shall obtain a licence unless they are exempted by the Hotel and Guesthouse Accommodation (Exclusion Order) (Cap. 349C), which provides general exemption to child care centres, bedspace apartments, elderly homes and those premises providing accommodation with a tenancy period of 28 consecutive days or more for each letting.

<sup>2</sup> In accordance with section 4(1) of HAGAO, the Secretary for Home Affairs is the Authority of HAGAO.

25 people injured, the Panel discussed issues relating to the regulation of guesthouses with the Administration at its meeting on 10 January 2014. During the meeting, members expressed concerns that the proliferation of guesthouses in residential buildings had caused safety hazards and nuisances to the residents. The Administration advised that it had kick-started a review of HAGAO.

4. On 4 July 2014, HAD issued a public consultation document on "Review of the Hotel and Guesthouse Accommodation Ordinance" ("the consultation document"). The consultation document set out various proposed measures which aimed to: (a) improve the licensing regime so as to minimize the nuisance or impact caused by licensed guesthouses; and (b) enhance the effectiveness of actions against unlicensed guesthouses. The Panel discussed the consultation document with the Administration on 23 July 2014 and held a special meeting on 12 September 2014 to receive public views.

5. At the Panel meeting on 24 March 2015, members were briefed on the outcome of the public consultation exercise. The Administration informed members that it was working closely with the Department of Justice on the preparation of the legislative amendments to HAGAO and would introduce an amendment bill into the Council as soon as practicable. Meanwhile, administrative enhancement measures to enhance the licensing regime were implemented to enhance the safety and management of hotels and guesthouses. The proposed legislative amendments and the administrative enhancement measures are set out in **Appendix I**.

## **Deliberations of the Panel**

### Licensing requirements

#### *Consultation with the residents*

6. Members expressed support for the Administration's proposal that, apart from the safety matters, the provisions in the deed of mutual covenant ("DMC") and the views of the residents should be considered when vetting and approving an application for guesthouse licence. The Administration was urged to expedite the implementation of the proposed measures so as to minimize the nuisance or impact caused by licensed guesthouses and to enhance the effectiveness of enforcement actions against unlicensed guesthouses.

7. Members, however, expressed diverse views on the three proposed options regarding how to gauge the views of local residents when processing a licence application. The options included: (a) conducting local consultation through District Officers ("Option I"); (b) setting up an independent panel comprising unofficial members to consider local views ("Option II"); and (c)

setting up a new statutory body responsible for the licensing work ("Option III"). While some members expressed support for Option I so as to expeditiously minimize the nuisance or impact caused by licensed guesthouses, some other members considered that it would be more prudent to set up an independent body to consider residents' views before a decision was taken on the licence application.

8. According to the Administration, the written responses received in the public consultation exercise showed that 42% and 43% of the respondents supported Option I and Option II respectively. As for the consultation with the 18 District Councils ("DCs"), a majority of DC members were in favour of Option II. As pointed out by the respondents, Option II was more likely to strike a proper balance between efficiency and impartiality as compared with the two alternatives. Option II was considered better than Option I because the applicants would be given an opportunity to respond to objectors' concerns in front of an independent panel which would then make recommendations on licence issuance in a fair and objective manner. As such, the Administration proposed to adopt Option II, under which the Authority will be empowered, in processing new or renewal licence applications, to take into account recommendations made by the independent panel after considering views submitted by residents living in the same building and the applicant's responses.

9. In response to members' enquiry on whether OLA would take the initiative to solicit residents' views on licence applications, the Administration advised that to allow time for the owners and the residents to study DMC of their buildings and consider the need for initiating appropriate actions with reference to the permitted uses stated therein, OLA had introduced a Notification System in April 2014. Under the system, OLA would issue letters to the owners' corporation ("OC"), residents' organization and/or property management company ("PMC") of the building concerned, as appropriate, to inform them that a licence application had been received and was being processed by OLA. For buildings without any OC or residents' organization and those which were not managed by any PMC, letters would be issued to all individual occupants of the buildings concerned. The information was also uploaded onto OLA's website for public information.

#### *Provisions in the deed of mutual covenant*

10. Members noted that the Administration proposed to amend HAGAO to empower the Authority to refuse issuance/renewal of licences or to cancel existing licences, if DMC of the building concerned contained explicit restrictive provisions stipulating that guesthouse operations or commercial activities were not allowed in the building or the premises were for "private residential use" only. Concern was raised about the possible proliferation of guesthouses in residential buildings of which DMCs did not contain such

explicit restrictive provisions, after the proposed amendments were made to HAGAO.

11. The Administration advised that it had proposed to take into account residents' views even if the DMC concerned did not contain any explicit restrictive provisions. The engagement of the public in the consultation process would serve to balance the interests of all parties.

12. There was a suggestion that if the majority of residents/occupants (say, more than 80% of them) of a building did not object to the continued existence and operation of a particular guesthouse, the Administration should exercise discretion in enforcing the new licensing requirements concerning the licensee's compliance with the provisions in DMC, even if the relevant DMC contained explicit restrictive provisions. The Administration undertook to consider this suggestion.

#### Impact on the trade

13. Some members expressed concern about the impact of the Administration's proposal that both DMC provisions and local residents' views would be taken into account in the licensing process for existing licensed guesthouses' continued operation. There was concern that the proposal might result in the closure of business of many licensed guesthouses, thus adversely affecting the tourism industry. These members were of the view that in contemplating any changes to the existing licensing regime, the Administration should balance the interests of relevant parties and introduce complementary/facilitating measures to help existing licensed guesthouses operators to meet the new requirements. The Administration should also be mindful of the need of some tourists for budget accommodation when visiting Hong Kong.

14. The Administration advised that, in drawing up the above proposal, relevant bureaux and departments had been consulted. The Administration was also aware of the possible impact of the proposals on existing licensed guesthouses. The Administration would consider suggestions from some quarters of the community and the trade that assistance should be provided to help existing licensees ride over the difficult time, such as the provision of platforms for parties affected to discuss and sort out their differences over a licence application. The Administration advised that to allow more time for existing operators to adapt to the new licensing regime and make necessary arrangements, such as relocation, they would be allowed to renew their licences based on existing licensing conditions once, for a period of 12 months, after the commencement of the amendment bill. Priority would also be given to processing relocation application from these operators. The Administration assured members that it was not the Government's intention to eradicate licensed guesthouses.

15. Some members considered that as hotels, guesthouses, holiday camps and holiday flats all fell within the ambit of HAGAO, the Administration should conduct a comprehensive review of the current licensing regime governing hotels and guesthouses, in the light of their differences in size, mode of operation and facilities, etc., and formulate a regulatory system which would foster healthy development of the guesthouse industry. The Administration advised that the Authority would issue four different types of licences: "hotel licence" for purpose-built hotels, as well as "guesthouse licence", "holiday camp licence" and "holiday camp licence" for short-term sleeping accommodation located in residential buildings, within camp sites and village type houses in the New Territories respectively. The Administration considered that this would facilitate tourists in choosing suitable sleeping accommodation.

#### Appeal mechanism

16. Concern was raised about the appeal channels available for the aggrieved parties, including the applicant or the residents, who might be dissatisfied with the decision made by the Authority. There was a view that a fair appeal mechanism should be established to allow aggrieved parties to seek review of the Authority's decisions pursuant to HAGAO.

17. The Administration advised that the decision to grant or renew a licence was made after careful consideration of all relevant factors, including local views. To ensure that the process was fair and impartial, both the applicant and the objectors would be given a fair chance to express their views and make statements. In addition, the applicant and the objectors could appeal to the Appeal Board (Hotel and Guesthouse Accommodation) pursuant to HAGAO.

#### Enforcement actions against unlicensed guesthouses

18. Expressing concern about the relatively small numbers of inspection and prosecutions against unlicensed guesthouses, members questioned whether the Administration had deployed sufficient and dedicated manpower to conduct inspections on suspected unlicensed guesthouses. Noting various problems, such as the existence of "shadow guesthouses" (i.e. licence-holders making use of their licensed premises for unlicensed guesthouse operation at other premises) and some property owners operating unlicensed guesthouses by renting out their premises under "pseudo" tenancy terms and conditions, members considered that it might be necessary to amend the legislation in order to combat more effectively such unscrupulous practice. Concern was raised that the penalties imposed on convicted cases of unlicensed guesthouses did not appear to have a sufficient deterrent effect against the unlawful operation of unlicensed guesthouses.

19. According to the Administration, over the past few years, there had been multifold increases in enforcement raids including joint departmental operations against suspected unlicensed guesthouses. However, OLA had encountered great difficulties in securing sufficient admissible evidence to prove that unlicensed guesthouse activities were taking place/had taken place at those premises and the persons therein were operating, keeping, managing or otherwise controlling that guesthouse. At present, most of the prosecution cases had to rely on decoy operations to collect sufficient evidence. It was not uncommon for OLA officers to be refused entry, even though they were undercover. Even with sufficient evidence, if the owner or the operator was not caught red-handed and lodgers/tourists were unwilling to give statement or testify in court, it was still very difficult to institute prosecution against them and OLA might only be able to prosecute the keeper who was employed to manage the unlicensed guesthouse.

20. Members enquired if criminal liability would be incurred to owners of the premises if they had no knowledge that their tenants had used their premises as unlicensed guesthouses. The Administration explained that while it proposed to introduce a "strict liability" offence to HAGAO specifying that the owner, tenant or occupier of the premises concerned would be held liable for any premises used as unlicensed guesthouse, a statutory defence would be provided for innocent parties. Regarding the Administration's proposal to increase the maximum penalties for operating unlicensed guesthouses, some members suggested that consideration should also be given to specifying the minimum level of penalties to be imposed by the courts under HAGAO.

### **Relevant Legislative Council questions**

21. At the Council meeting of 13 May 2015, Hon KWOK Wai-keung raised a written question on the proposed enhancements to the licensing regime for guesthouses. Also, at the Council meeting of 28 June 2017, Hon YIU Si-wing raised a written question on the measures to combat the operation of unlicensed hotels and guesthouses. The questions and the Administration's replies are in **Appendices II** and **III** respectively.

### **Latest development**

22. The Administration will consult the Panel on the latest proposed legislative amendments to HAGAO and report progress on the implementation of administrative enhancement measures at the next meeting on 17 July 2017.

**Relevant papers**

23. A list of relevant papers at the Legislative Council website is in **Appendix IV**.

Council Business Division 2  
Legislative Council Secretariat  
12 July 2017

**LC Paper No. CB(2)1045/14-15(03)**

**For Discussion on  
24 March 2015**

**Legislative Council Panel on Home Affairs**

**Outcome of the Public Consultation on  
the Review of the Hotel and Guesthouse Accommodation Ordinance  
(Cap. 349)**

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**Way Forward**

13. In view of the overwhelming public support received during public consultation, we intend to implement various proposals for enhancing the licensing regime for guesthouses and facilitating enforcement actions against unlicensed guesthouses as soon as possible.

14. Legislative amendments to the Ordinance are required to enable the Authority to implement the following proposals:

- (i) empowering the Authority to refuse to issue or renew a licence if the DMC of the building concerned contains any express provision which prohibits the premises concerned to be used as a hotel or guesthouse, for commercial purpose or for any purpose other than for private residential purpose;
- (ii) empowering the Authority, in processing a new or renewal licence application, to take into account the recommendations made by the independent panel after considering the views submitted by the residents living in the same building and the applicant's responses. To ensure fairness and consistency in assessing local views, a set of guiding principles will be drawn up for panel members' reference. Reference will be made to the established guidelines of other licensing authorities;



- (iii) requiring that the applicant (including a body corporate) must be a “fit and proper” person;
- (iv) introducing a new provision to facilitate instigating prosecution by circumstantial evidence. To address the human right concerns about the proposed “deeming provisions” (see paragraph 11 above), we propose to introduce a new “strict liability” offence to the Ordinance. The new provision will specify that any premises must not be used as a guesthouse without a valid licence. If there is sufficient evidence, circumstantial or otherwise, showing that any premises are used as unlicensed guesthouse, the owner, tenant, or occupier will be liable. A statutory defence will be provided for innocent parties that do not have control over the use of the premises;
- (v) empowering the Authority to apply to the court for a search warrant to allow enforcement officers to enter into, or break in when necessary, a suspected unlicensed guesthouse;
- (vi) increasing the maximum fines for operating unlicensed guesthouses from \$200,000 to \$500,000 and imprisonment from 2 years to 3 years; and
- (vii) empowering the Authority to apply to the Court, upon the second conviction of operating an unlicensed guesthouse, to issue a Closure Order against the relevant premises for six months. The detailed arrangements will be modelled on the existing practices for closing vice establishments pursuant to relevant provisions in the Crimes Ordinance (Cap. 200).

15. We are working closely with the Department of Justice (DoJ) on the preparation of the above-mentioned legislative amendments and will introduce the Hotel and Guesthouse Accommodation (Amendment) Bill (the Bill) into LegCo as soon as practicable.

16. Separately, we will include the following new conditions in the guesthouse licences (for both new and renewed licences) as administrative enhancement measures:

- (i) provision of a 24-hour manned counter in the guesthouses. If there are insurmountable physical constraints in the premises, the applicant may submit an alternative proposal for the Authority's consideration and approval; and
- (ii) procurement of third party risks insurance with the minimum insured amount of \$10 million per event.

17. To differentiate between the different types of short-term accommodation more clearly, the Authority will issue four different types of licences based on the use of the premises approved or accepted by the other authorities, i.e. the Building Authority and the Director of Lands, etc. They are:

- (i) "hotel licence" for purpose-built hotels;
- (ii) "guesthouse licence" for short-term sleeping accommodation located in residential buildings;
- (iii) "holiday camp licence" for short-term sleeping accommodation within camp sites; and
- (iv) "holiday flat licence" for short-term sleeping accommodation in village type houses in the New Territories.

18. We will specify in the licence condition that other than hotel licensees, holders of other licence shall not use the word "hotel" in their business names.

19. We are finalising the details of the administrative measures and will inform all licensees in writing shortly. We expect that these administrative measures can be put into effect from the third quarter of 2015.

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**Home Affairs Department  
March 2015**

## Appendix II

### Press Releases

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LCQ13: Proposed enhancements to the licensing regime for guesthouses

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Following is a question by the Hon Kwok Wai-keung and a written reply by the Secretary for Home Affairs, Mr Tsang Tak-sing, in the Legislative Council today (May 13):

Question:

In March this year, the authorities informed the Panel on Home Affairs of this Council of the outcome of the public consultation on the review of the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance) and proposed that the Ordinance be amended to enhance the licensing regime for guesthouses and facilitate law enforcement actions against unlicensed guesthouses. In this connection, will the Government inform this Council:

(1) as the authorities have estimated that around 280 licensed guesthouses are currently located in buildings whose Deeds of Mutual Covenant (DMCs) contain explicit provisions prohibiting the premises concerned to be used as a hotel or guesthouse, of the name, address, number of rooms, and the remaining term of the guesthouse licence granted, in respect of each of such guesthouses;

(2) as the authorities have proposed to amend the Ordinance to empower the Hotel and Guesthouse Accommodation Authority (the Authority) to refuse to issue or renew a licence if the DMC of the building concerned contains any explicit provision prohibiting the premises concerned to be used as a hotel or guesthouse, or for commercial purpose, whether the authorities will, apart from giving the affected guesthouse licence holders a grace period of one year, support and assist such guesthouses, which are able to obtain licences under the original less-stringent policy, in relocating elsewhere to continue to operate; if they will, of the details; if not, the reasons for that; whether they have assessed the situation, after the enactment of the amendments to the Ordinance, of such guesthouses closing down because they cannot be relocated elsewhere for continuous operation; if they have, of the details; if not, the reasons for that; and

(3) given that the authorities proposed in the relevant consultation paper three possible options regarding the local consultation on guesthouse licence applications, which included (i) conducting local consultation through District Officers and (ii) setting up an administrative independent panel, comprising non-official members, to make recommendations to the Authority after considering local views, and these two options received a similar level of support from respondents, whether the authorities have decided on the option to adopt; if they have, of the decision and the reasons for that; if not, the criteria based on which the authorities will decide on the option to adopt?

Reply:

President,

In response to public concerns over nuisance and inconvenience caused by guesthouses to building residents in recent years, the Home Affairs Department (HAD) completed a review on the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance) in July 2014. A consultation paper was published to gauge public views extensively on a series of proposals with a view to enhancing the licensing regime for guesthouses and to stepping up the enforcement actions against unlicensed guesthouses.

Upon expiry of the public consultation period in late August 2014, the HAD had received about 1 100 written submissions. After careful collation and analysis of the submissions, we briefed the Legislative Council (the LegCo) Panel on Home Affairs on the outcome of the consultation on March 24, 2015. In view of the wide community support, we will amend the Ordinance to implement various proposals recommended in the consultation paper to enhance the licensing regime for guesthouses and facilitate enforcement actions against unlicensed guesthouses. We are now drafting the Hotel and Guesthouse Accommodation (Amendment) Bill (the Bill) and will introduce it to the LegCo for scrutiny as soon as possible.

My reply to Hon Kwok Wai-keung's question is as follows:

(1) Under the current licensing regime, the Hotel and Guesthouse Accommodation Authority (the Authority) may only refuse to issue a licence on such grounds as the premises intended to be used as a hotel or guesthouse fail to comply with the requirements relating to building structure and fire safety, health and hygiene, and supervision as provided for in the Ordinance. As the Deed of Mutual Covenant (DMC) is not a ground for refusal to licence issuance under the Ordinance, we do not have copies of DMCs of the buildings where the licensed guesthouses are located in. Having examined public records kept by the Land Registry, we estimate that DMCs of buildings accommodating about 280 licensed guesthouses may contain explicit restrictive provisions against the operation of guesthouses. However, this is for general reference only because whether or not these DMCs contain such explicit restrictive provisions has to be ascertained by legal professionals.

The Office of the Licensing Authority (the OLA) under the HAD will issue written notification to the guesthouse licensees who may be affected, in order to remind and advise them to seek legal advice and make appropriate arrangements promptly. The OLA will also set up a dedicated hotline to answer the enquiries from the industry.

(2) While the DMC is not one of the licensing considerations under the current licensing regime, the OLA has clearly reminded applicants and licensees via licence application forms and relevant guidelines, notification letters for issuance of licence and other relevant documents that a guesthouse licence does not act as a waiver of their responsibilities to comply with DMC provisions. They must ensure that guesthouses to be operated or operated at the premises concerned are in compliance with DMC provisions, or else they have to bear legal liabilities and other consequences on their own.

We understand that some guesthouse operators will be affected by the new licensing requirement of taking into account DMC provisions. To allow sufficient time for current operators to adapt to the new licensing regime and make necessary

arrangements (such as relocation), we propose to renew their licences once in accordance with the existing licensing requirements for a period of 12 months upon commencement of the Bill. In other words, current operators will be subject to the new licensing requirements for licence renewal one year after the Bill has come into effect. Apart from reminding affected operators through written notification to take heed of the new licensing requirements, the OLA will accord priority to processing licence applications due to relocation, and deploy dedicated case officers to render assistance for such applicants.

Given that affected guesthouses may move to locations in compliance with licensing requirements for continuous operation, we believe that the new licensing requirements will have limited impact on the industry. Whether he would relocate his guesthouses, change his operation model (such as renting out rooms on a monthly basis) or make other arrangements is solely a business decision of individual licensee.

(3) As indicated in the written responses received regarding the three options for local consultation, 42% and 43% of the respondents supported Option I and Option II respectively. As for the consultation with the 18 District Councils (DCs), majority of DC members are in favour of Option II. As pointed out by the respondents, Option II is more likely to strike a proper balance between efficiency and impartiality as compared with the two alternatives. Option II is considered better than Option I because the applicants will be given an opportunity to respond to objectors' concerns in front of an independent panel which will then make recommendations on licence issuance in a fair and objective manner. As such, we have proposed in the paper submitted to the LegCo Panel on Home Affairs to adopt Option II, under which the Authority will be empowered, in processing new or renewal licence applications, to take into account recommendations made by the independent panel after considering views submitted by residents living in the same building and the applicant's responses.

Ends/Wednesday, May 13, 2015  
Issued at HKT 15:01

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## Appendix III

### Press Releases

LCQ11: Measures to combat operation of hotels and guesthouses without a licence

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Following is a question by Hon Yiu Si-wing and a written reply by the Secretary for Home Affairs, Mr Lau Kong-wah, in the Legislative Council today (June 28):

Question:

Under the Hotel and Guesthouse Accommodation Ordinance (Cap. 349), any person who on any occasion operates, keeps, manages or otherwise has control of a hotel or a guesthouse (except for accommodation provided on the basis of a minimum period of 28 continuous days for each letting) without a licence or a certificate of exemption (operation of unlicensed hotels and guesthouses) is liable on conviction to a maximum fine of \$200,000 and to imprisonment for two years and to a fine of \$20,000 for each day during which the offence continues. Quite a number of unlicensed hotels and guesthouses have solicited business via online platforms in recent years. There are comments that the profits of operation of unlicensed hotels and guesthouses are substantial but the punishments imposed on the convicted persons lack deterrent effect, resulting in the continuation of such crimes despite repeated prohibition efforts. In this connection, will the Government inform this Council:

(1) of the following details of (a) all the law enforcement actions taken and (b) those law enforcement actions taken on the basis of information gathered from online platforms, by the authorities in the past three years against operation of unlicensed hotels and guesthouses (set out in the table below): (i) number of inspections, (ii) number of prosecutions, (iii) number of convictions together with a breakdown of the number by the punishments imposed on the convicted persons: (iv) a fine below \$10,000, (v) a fine of \$10,000 or above, (vi) imprisonment for less than three months, and (vii) imprisonment for three months or more;

Year		(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
2014	(a)							
	(b)							
2015	(a)							
	(b)							
2016	(a)							
	(b)							

(2) of the amount of public money and manpower deployed by the authorities in the past three years for combating operation of unlicensed hotels and guesthouses;

(3) whether the authorities will further step up law enforcement efforts to combat operation of unlicensed hotels and guesthouses in the coming year; if so, of the details, including the amount of relevant estimated expenditures to be increased; if not, the reasons for that; and

(4) whether the authorities will adopt new measures (e.g. taking legal actions) to combat unlicensed hotels and guesthouses that solicit business via online platforms, so as to prevent the problem from worsening; if so, of the details; if not, the reasons for that?

Reply:

President,

Operation of hotels and guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance). The purpose is to ensure that premises intended to be used as hotels/guesthouses comply with the statutory standards in respect of building structure and fire safety in order to safeguard lodgers and members of the public. The Office of the Licensing Authority (OLA) under the Home Affairs Department (HAD) is responsible for administering the Ordinance, including issuing licences and performing enforcement duties.

OLA has been committed to combating and raiding unlicensed hotels/guesthouses through a multi-pronged approach by such means as strengthening law enforcement, widening the intelligence network and enhancing deterrent effect. It also encourages and facilitates visitors to choose licensed accommodation by stepping up publicity and providing information of licensed hotels/guesthouses.

My reply to the Hon Yiu's question is as follows:

(1) In the past three years, the number of inspections carried out on the basis of information gathered from online platforms increased significantly by four folds from 188 in 2014 to 765 in 2016. In respect of the operation of unlicensed guesthouses, details of (a) all enforcement actions taken by OLA and (b) enforcement actions taken by OLA on the basis of information gathered from online platforms are tabulated below:

Year	(i) No. of inspection	(ii) No. of prosecution	(iii) No. of conviction	(iv) Fine below \$10,000	(v) Fine of \$10,000 or above	(vi) Imprisonment for less than 3 months	(vii) Imprisonment for 3 months or more
2014	(a) 13 153	147	148	119	25	6	0
	(b) 188	13	13	8	4	0	0
2015	(a) 13 188	149	132	82	43	15	1
	(b) 521	18	12	8	2	2	0
2016	(a) 13 574	158	166	103	49	18	1
	(b) 765	15	16	7	9	0	0

Note: Figures of "No. of prosecution" and "No. of conviction" for the same year are slightly different because trials of some prosecution cases were/will be conducted in the subsequent year. Also, some convicted cases involved both fine and imprisonment.

(2) and (3) Apart from administering the Ordinance and handling licence issuance and enforcement duties, OLA is responsible for issuing 11 other types of licences and performing related enforcement duties pursuant to six other ordinances. As OLA carries out the above functions as a team, we do not have a breakdown of provision allocated and manpower deployed solely for combating and raiding unlicensed hotels/guesthouses. From 2015-16 to 2017-18, OLA's establishment increased from 122 to 132, covering among others, strengthening work on combating and raiding unlicensed hotels/guesthouses. The relevant information is set out below:

	2015-16	2016-17	2017-18 (estimate)
Establishment	122	132	132
Staff cost (\$ million) (both civil servants and non-civil service contract staff)	59.6	63.6	66.3

Apart from the above establishment, OLA also employs staff on part-time basis for related operations. Relevant information of the past three years is set out below:

	2015-16	2016-17	2017-18 (estimate)
Part-time staff	39	40	48
Staff cost (\$ million)	2.4	2.9	3.3

OLA will review its requirement of manpower resources from time to time and deploy staff flexibly and effectively to ensure the proper administration of the Ordinance, including issuing licences and performing relevant regulation and enforcement duties.

(4) In order to enhance its efforts in combating and raiding unlicensed hotels/guesthouses soliciting lodgers via online platforms, OLA has strengthened intelligence collection by forming a dedicated team to search information and intelligence on suspected unlicensed hotels/guesthouses through browsing webpages, mobile applications, social media, discussion fora, blogs, etc. Law enforcement officers of OLA will initiate follow-up investigation when information on unlicensed hotels/guesthouses is found. Prosecution will be instituted immediately if there is sufficient evidence that the premises concerned are involved in operation of unlicensed hotels/guesthouses.

OLA will continue its work in carrying out proactive inspections, web browsing and instituting prosecutions, including conducting inspections and surprise checks during and outside office hours (e.g. at nights, during and before holidays) and collecting evidence by posing as clients (commonly known as "snaking") when necessary. It will also mount inter-departmental joint operations with other relevant departments to combat unlicensed hotels/guesthouses effectively.

OLA will also write to the websites concerned from time to time to state clearly that a licence is required for operating hotels/guesthouses in accordance with the laws of Hong Kong, and urge responsible persons of such websites not to post information of unlicensed hotels/guesthouses.

In addition, OLA will step up publicity, including posting messages on platforms such as the Internet, to urge visitors to patronise licensed hotels/guesthouses to safeguard personal safety. Visitors are also reminded that travel insurance may not cover incidents relating to accommodation at unlicensed hotels/guesthouses. To encourage their patronage of licensed hotels/guesthouses, OLA has uploaded the full list of licensed hotels/guesthouses onto its website ([www.hadla.gov.hk](http://www.hadla.gov.hk)) and the mobile application named "Hong Kong Licensed Hotels and Guesthouses" to facilitate visitors and members of the public to search for the latest details and locations of licensed hotels/guesthouses and report suspected unlicensed hotels/guesthouses to OLA.

Ends/Wednesday, June 28, 2017  
Issued at HKT 16:05

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**Relevant papers on  
Review of the Hotel and Guesthouse Accommodation Ordinance**

<b>Committee</b>	<b>Date of meeting</b>	<b>Paper</b>
Panel on Home Affairs	10.1.2014 (Item V)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	23.7.2014 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
	12.9.2014 (Item I)	<a href="#">Agenda</a> <a href="#">Minutes</a> <a href="#">Administration's _____ paper providing _____ supplementary information in response to members' requests at the special meeting (LC Paper No. CB(2)535/14-15(01))</a>
	24.3.2015 (Item IV)	<a href="#">Agenda</a> <a href="#">Minutes</a>
Legislative Council	13.5.2015	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 54 to 57</a>
	7.6.2017	<a href="#">Official Record of Proceedings</a> <a href="#">Pages 10 to 15</a>

Council Business Division 2  
Legislative Council Secretariat  
12 July 2017