

政府總部  
運輸及房屋局  
運輸科  
香港添馬添美道 2 號  
政府總部東翼



Transport and  
Housing Bureau  
Government Secretariat  
Transport Branch  
East Wing, Central Government Offices,  
2 Tim Mei Avenue, Tamar, Hong Kong

本局檔號 Our Ref.  
來函檔號 Your Ref.

電話 Tel. No.: 3509 8203  
傳真 Fax No.: 3904 1775

Panel on Transport  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central, Hong Kong  
(Attn: Ms Sophie Lau)

18 December 2017

Dear Ms Lau,

**Panel on Transport  
Joint Letter from Hon Charles Peter Mok and Hon Jeremy Tam  
Man-ho on recommendation on regulation of personalised  
point-to-point transport service**

Thank you for your letter dated 4 December 2017 enclosing the joint letter from Hon Charles Peter Mok and Hon Jeremy Tam Man-ho.

***Franchised Taxis***

The Government notes the Consumer Council's report on 28 November 2017 and its recommendation that the Government should explore the Council's proposal of introducing regulated online hailing services, if the Government's franchised taxis, upon introduction, fail to deliver its promise.

In the light of the general support of the community as well as the result of consultation with the Legislative Council Panel on Transport, the Government will continue with its work to introduce franchised taxis service with online hailing features to meet the new demand in the community for personalised and point-to-point public transport services. We will decide whether to explore other new services (such as regulated online hailing services), depending on the outcome of scrutiny by the Legislative Council on the proposal on franchised taxis.

Many of the key features in the Consumer Council's proposed online hailing services are not dissimilar to the key features of our proposed franchised taxis. For instance, franchised taxis will have online hailing feature; the franchise will be time-limited with a limit on the vehicle age of the franchised taxis; operators of the franchised taxis must provide third party liability insurance for franchised taxis pursuant to Motor Vehicles Insurance (Third Party Risks) Ordinance (Cap 272); operators will have to provide drivers' training; all franchised taxis will be equipped with global positioning system devices recording real-time operating data of each franchised taxis for Government's inspection; operators will have to provide 24-hour customer service hotlines and electronic channels (e.g. email, online comment form or mobile phone applications) as platforms for lodging complaints and providing comment; and passengers may rate drivers' performance via the mobile applications, etc.

We are hopeful that franchised taxis, when put into service, should be able to meet the new demand in the community. The Government is preparing the legislative work for introducing franchised taxis, with a target of introducing the Bill into the Legislative Council in the latter half of 2018.

### *Hire Car*

The Consumer Council also recommends that the existing hire car regime be used as a starting point to regulate online hailing services. Under the current transport hierarchy, hire car is positioned as a premium transport mode for providing high-end personalised services. In particular, hire car does not belong to public transport service nor is its fares subject to regulation. A private car owner must obtain a hire car permit ("Permit") issued by Commissioner for Transport ("C for T") under the Road Traffic Ordinance (Cap. 374) and the Road Traffic (Public Services Vehicles) Regulations (Cap. 374D) before he/she can operate hire car service for the carriage of passengers for hire or reward.

Cap. 374D contains specific provisions on the Permit requirements of hire cars and the assessment criteria for granting of Permits. Under the law, C for T may issue a permit if C for T is satisfied that –

- (a) the type of hire car service in the application is reasonably required;
- (b) the vehicle licence of the private car concerned is valid; and
- (c) there is in force valid insurance policy in respect of third party risks.

The hire car service in the application must also meet the requirements for that particular type of Permit as stipulated in regulation 15 of Cap. 374D<sup>1</sup>. The category and number of different types of Permits which could be issued by C for T are provided for in the law are tabulated at **Annex**.

It should also be noted that the policy on hire cars and the relevant legislation reflects its historical context. The present legislation in respect of hire cars was implemented in 1981 with the primary objective of legalising the “pak pais” (i.e. illegal hire car service) at the time. While hire car permits were issued to persons then operating “pak pais”, it was not the policy intention to allow for unlimited issuance of such permits so as not to encourage quasi-taxi operation or even affect the operation of other public transport services and aggravate road congestion. Hence, there is a statutory limit of the number of each type of permits which could be issued by C for T as set out at Annex. These are also the considerations of the C for T when exercising discretionary power to issue Permits.

To facilitate new market entrants and build in more flexibility in the hire car regulatory regime, the Transport Department has implemented the following new measures from 1 February 2017 -

---

<sup>1</sup> Regulation 15 of Cap. 374D stipulates the restrictions on issue of respective types of hire car permits and consideration for issue. For example, it requires C for T to determine whether to issue a hire car permit for private hire car service having regard to (i) the extent to which the area from which the applicant proposes to operate the private hire car service is served by public transport (ii) whether the applicant is able to reasonably demonstrate that a private hire car service is required in the area from which he/she proposes to operate, and (iii) whether the applicant has a place which is a suitable place to park the private car when it is available to hire.

- (a) give special consideration on individual merits (such as justifications and supporting information about the proposed business model/case) for applicants for Private Service (Limousine) Permits who are unable to produce the required hiring records or future service contracts. At end November 2017, 13 applications were approved out of 32 applications processed/being processed on grounds of special considerations;
- (b) make available an optional “pre-application assessment” (“PAA”) to give potential applicants an opportunity to test the chance of obtaining a Permit before purchasing a private car. As at end November 2017, 22 requests for PAA were received. Applicants whose applications will likely be approved if submitted have been advised accordingly; and
- (c) introduce vehicle age requirement for applications for Private Service (Limousine) Permits (i.e. should be less than seven years old from the date of first registration as a “brand new vehicle” in Hong Kong at the time of the application<sup>2</sup>).

The details of the Government’s proposed franchised taxis as well as the hire car regulatory regime have been presented on several occasions at the LegCo Panel on Transport, including at the meetings on 6 November 2015, 21 June 2016, 17 March 2017 and 16 June 2017.

We thank Members for their valuable views on personalised point-to-point transport services.

Yours sincerely,



(Miss Alison TSE)

for Secretary for Transport and Housing

---

<sup>2</sup> In the case of vehicles not first registered in Hong Kong as a “brand new vehicle”, the vehicles should not be more than 6 year’s old from the year of manufacture. Also, if Permit holders intend to change the vehicle to which the Permit was issued, the replacement vehicle should not be older than the vehicle being replaced.

**Category and number of Permits  
which could be issued by the Commissioner for Transport  
under the law**

Types of Permit	Statutory limit	Number of Permits in force (as at 30.11.2017)
Private hire car service <sup>1</sup>	1 500	667
Hotel hire car service	400	168
Tour hire car services	400	118
Airport hire car services	60	0 <sup>2</sup>
School hire car services	1 500	0 <sup>2</sup>
Total:	3 860	953

---

<sup>1</sup> Private hire car service is administratively classified into Private Service (Ordinary); Private Service (Limousine); and Private Service (Limousine) (Cross-boundary).

<sup>2</sup> Airport hire cars were gradually replaced by limousines providing private hire car services in the mid-1980s, while at the same time school hire cars were also gradually replaced by school private light buses. These two types of Permit have not been issued since then.