

立法會

Legislative Council

LC Paper No. CB(4)1139/18-19

(These minutes have been seen
by the Administration)

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Panel on Economic Development

Minutes of special meeting held on Friday, 1 March 2019, at 9:00 am in Conference Room 1 of the Legislative Council Complex

Members present : Hon CHUNG Kwok-pan (Chairman)
Hon WU Chi-wai, MH (Deputy Chairman)
Hon James TO Kun-sun
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon WONG Kwok-kin, SBS, JP
Hon Paul TSE Wai-chun, JP
Hon Claudia MO
Hon Steven HO Chun-yin, BBS
Hon Frankie YICK Chi-ming, SBS, JP
Hon YIU Si-wing, BBS
Hon Charles Peter MOK, JP
Hon Kenneth LEUNG
Hon Alice MAK Mei-kuen, BBS, JP
Dr Hon Elizabeth QUAT, BBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Alvin YEUNG
Hon Andrew WAN Siu-kin
Hon CHU Hoi-dick
Hon Jimmy NG Wing-ka, JP
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon CHAN Chun-ying, JP
Hon LUK Chung-hung, JP
Hon Jeremy TAM Man-ho

Members attending : Hon CHAN Chi-chuen
Hon YUNG Hoi-yan
Hon Vincent CHENG Wing-shun, MH

Members absent : Hon Jeffrey LAM Kin-fung, GBS, JP
Hon Michael TIEN Puk-sun, BBS, JP
Hon Dennis KWOK Wing-hang
Dr Hon Junius HO Kwan-yiu, JP

Public Officers attending : Agenda item I

Dr Bernard CHAN, JP
Under Secretary for Commerce and Economic Development

Miss Erica NG, JP
Deputy Secretary for Commerce and Economic Development (Commerce and Industry) 3

Ms Jacko TSANG
Principal Assistant Secretary for Commerce and Economic Development (Commerce and Industry) SD

Attendance by Invitation : Session One

Bonlass Tera Plus Limited
Miss HO Lai-chu
CEO

香港美容從業聯會
曾裕女士
香港美容從業聯會 - 創會主席及發起人

Ms Rae TSOI

Ms CHAN Ching-ting

冼嘉敏女士

馬詠襄女士

陳玉鳳女士

纖體瘦身苦主聯盟

陳仲翔先生

纖體瘦身苦主聯盟發言人

Ms Kay WAN

International CICA Association of Esthetics

Ms LUK Wai-fong

Chairman

The Lion Rock Institute

Mr NG Kin-wah

Event Officer

Democratic Party

Mr YUEN Hoi-man

Spokesperson of the Democratic Party

Federation of Beauty Industry (H.K.)

Ms Angela CHAN

Chairman

The Cosmetics & Perfumery Association of Hong Kong

Mr Joseph HO

香港化粧品同業協會監事長

Beauty Industry Standardisation Organisation

Mr Nelson IP

Chairman

New People's Party

Mr Manley LAU

青年黨員代表

Liberal Party

Mr Dominic LEE

黨員

Miss Diane LO

Pro Beauty Management Development Association

Ms MA Ying-kam

President

郭媚媚女士

黃雅麗女士

陳瑜女士

Ms LAU Wing-sum

Ms YEUNG Ching-yee

吳志偉先生

林佩婷女士

蕭麗如女士

Mr TANG Wai-man

Ms CHAN Kai-hung

Consumer Council

Ms Terese AU YEUNG

Head, Legal Affairs Division

Session Two

Ms Jo WONG

Ms LAM Ho-yan

Mr TANG Ka-piu

Democratic Alliance for the Betterment
and Progress of Hong Kong

Mr IP Chun-yuen

DAB Community Officer

香港健體專業人員總會

Mr Rex WONG

香港健體專業人員總會會長

Asian Academy for Sports and Fitness Professionals

Mr YAU Yick-chung

Marketing and Business Development Manager

Starz Tech International Ltd

Ms Maggie LEUNG

Managing Director

Mr Francis TSO

Miss CHAN Chui-yi

HK Association of Professional Aestheticians International

Ms Teresa TSANG

Executive Consultant

Miss WONG Wai-chi

HKJunkCall.com

Mr William WU Man-hon

Founder

Miss CHAN Wai-fan

Miss WU Mei-ling

Miss Jessica CHEUNG

Ms Ruby WONG

Miss LAW Wing-yee

Miss KWOK Kwan-sui

Miss TSE Yu-mei

Miss TSANG Pui-man

Miss WONG Kin-shun

Ms WONG Ching-ming

Miss CHAN Po-ying

Miris Spa

Mr LAW Kwok-man

Managing Director

Ms Yvonne LEUNG

消費者權益會

Mr Angus YICK

Project Officer

Ms KC CHAN

Miss KWOK Man-ha

International Beauty Professionals Validation Association

Ms Sara LAW

Executive President

Hong Kong Beauty and Hair Association

Ms LEE Chun-fong

General Secretary

Medical Aesthetic Professionals Association

Ms Yim Wai-ling

Administration Officer

Melody beauty
Ms LAM Mei-ha
Director

MR Beauty & Slimming
Mr WONG Kwok-ming
Operation Director

Ms WONG Pui-yin

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

Staff in attendance : 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. Statutory cooling-off period for beauty and fitness services consumer contracts

(LC Paper No. CB(4)416/18-19(01) — Administration's paper on the public consultation on statutory cooling-off period for beauty and fitness services consumer contracts

LC Paper No. CB(4)442/18-19(03) — Paper on the proposed framework for implementing a cooling-off period prepared by the Legislative Council Secretariat (background brief)

Declaration of interest

Dr Elizabeth QUAT declared that some of her family members were involved in beauty business in which she had no pecuniary interest. She was also the honorary chairperson of several beauty industry-related trade associations.

Presentation of views by deputations/individuals

2. The Chairman welcomed the representatives of the Administration and deputations/individuals to the meeting. He reminded the deputations/individuals that their written submissions provided to the Panel on Economic Development ("the Panel") and views presented at the meeting would not be covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

3. The Chairman invited the deputations/individuals to present their views. A total of 64 deputations/individuals presented their views which were summarized in the **Appendix**. The Panel also noted seven written submissions from deputations/individuals not attending the meeting [LC Paper Nos. CB(4)575/18-19(04), CB(4)575/18-19(10), CB(4)575/18-19(11), CB(4)575/18-19(12), CB(4)575/18-19(13), CB(4)605/18-19(06) and CB(4)605/18-19(07)].

Administration's response

4. At the invitation of the Chairman, Under Secretary for Commerce and Economic Development ("USCED") gave a consolidated response to the views expressed by the deputations/individuals in Session One. He advised the following:

- (a) the proposal on stipulating a statutory cooling-off period for beauty and fitness services consumer contracts ("the proposal") primarily aimed to address the public's concern about the use of aggressive commercial practices ("ACPs") in the beauty and fitness services sectors, and could enhance consumer confidence in them. The Administration had strived to strike a balance between protecting consumers' interests and minimizing the regulatory impact on traders concerned in coming up with the details in the proposal;
- (b) banks and merchant acquirers had not imposed on beauty service traders more stringent conditions in respect of acquiring service due

to the introduction of the proposal. Bank representatives who met with the Administration and the Hong Kong Monetary Authority ("HKMA") on 22 February 2019 agreed that the proposal would reduce the incentives for traders to deploy aggressive sales tactics, which might decrease the business risks of the beauty and fitness trades in general in the long run;

- (c) some traders in the beauty and fitness sectors offered voluntary cooling-off periods for customers under different terms and conditions which caused confusion and disputes. The proposal would standardize the cooling-off period arrangement in the two sectors, providing additional protection to consumers; and
- (d) on the views that the scope of application of the proposal should be extended to cover timeshare contracts, the Administration held the view that there was currently no legislation mandating traders to provide a cooling-off period to consumers. It should be more appropriate to take a prudent approach to first focus on trades that received the larger number of complaints on ACPs. The Administration could review the regulatory ambit of the legislation after its implementation to take into account implementation experience and changing circumstances.

5. At the invitation of the Deputy Chairman, Deputy Secretary for Commerce and Economic Development gave the following response to the views expressed by deputations/individuals in Session Two:

- (a) the Administration's proposal to apply a cooling-off period requirement to beauty and fitness services consumer contracts was based on the objective complaints figures available. According to the Customs and Excise Department ("C&ED")'s statistics, 77% of all ACP complaints it received from 2012 to 2018 were related to beauty and fitness services. Moreover, around 60% of the Consumer Council's ACP complaint cases were related to the two sectors. The Administration's objectives were to enhance consumer protection and reduce incentives for traders to deploy ACPs;
- (b) despite the efforts of C&ED in enforcing the Trade Descriptions Ordinance (Cap. 362) ("TDO"), since ACP usually took place in enclosed business premises without third party witnesses, it was relatively difficult to discharge the prosecution's onus of proof in criminal charges, rendering it more difficult to prosecute successfully

on ACP under TDO;

- (c) in addressing deputations'/individuals' concern about refund by non-cash means, the Administration proposed that a refund would be regarded as being made by traders at the time when they gave the refund instruction to the relevant payment service providers; and
- (d) the proposal, in which traders were allowed to deduct an administrative fee up to 3% or 5% of the transaction amount when arranging refund for a contract paid by one-off non-cash means or by installment payment plan via credit card respectively, aimed to make consumers bear part of the costs of contract cancellation so as to discourage abuse by consumers and to offset some of the traders' cost. The Administration would continue to listen to and study the views received during the consultation period. The Administration also welcomed views on the duration of the cooling-off period.

Discussion

Operational arrangements of the proposal and enforcement of TDO

6. Mr SHIU Ka-fai remarked that more than 90% of the deputations'/individuals attending the meeting opposed to the proposal, as it would seriously affect the business operation of the trades concerned. Since a majority of the beauty service traders were law-abiding, he considered it unfair that the Administration had resorted to stipulating an indiscriminate statutory cooling-off period due to its failure to enforce TDO effectively to deter unscrupulous traders from employing ACPs. Noting the Administration's view that most unscrupulous traders employed ACPs behind closed doors which made it difficult for C&ED to enforce the law, he suggested that TDO could be amended to require beauty service traders to make video recordings of the selling process as a proof that no ACP had been employed.

7. Mr WONG Ting-kwong said that the Democratic Alliance for the Betterment and Progress of Hong Kong had all along been supportive of protecting consumers' rights. Worrying that the proposal might threaten the survival of legitimate traders, in particular the small and medium-sized enterprises ("SMEs"), he urged the Administration to strike a balance between protecting consumers' interests and maintaining a business-friendly environment in Hong Kong. He concurred that TDO should be enforced more effectively to combat unfair trade practices ("UTPs"). Mr Holden CHOW pointed out that the manpower in C&ED for enforcing TDO had remained the same in the last

three years. He considered that inadequate manpower was one of the reasons why TDO could not be enforced effectively to combat UTPs.

8. Ms YUNG Hoi-yan expressed appreciation for practitioners in the beauty service trade who had paid an effort to excel themselves in the profession for providing better services for customers. She shared the view that the Administration should strengthen the enforcement of TDO to combat UTPs, and sought the Administration's elaboration on the rationale to impose a statutory cooling-off period for beauty and fitness services consumer contracts even though UTPs were also employed by some other traders.

9. Mr SHIU Ka-fai noted that under the proposal, traders were allowed to deduct an administrative fee up to 3% from the transaction amount in processing refund for a contract paid by non-cash means, and up to 5% for refund of payment by installment payment plan via credit card. He pointed out that as some banks would charge traders up to 10% of the transaction amount as the banks' administrative fee, traders would have to bear losses in the refund process. He was of the view that consumers might not be able to benefit from the proposal as the proposal would increase the operating cost of traders which would eventually be passed on to consumers and cause inflation. The proposal would also lead to a wave of closure of the relevant businesses, and consumers who had purchased service plans from these affected businesses would suffer a loss.

10. Ms Alice MAK supported stipulating a statutory cooling-off period by legislation to safeguard consumers' interests, and remarked that it enjoyed community support. However, she urged the Administration to address the many difficulties encountered by the beauty service trade. She shared the view that several implementation issues would need careful consideration in order not to affect honest traders. For example, beauty service plans covering a batch of services were usually sold with a higher discount, while the price of a one-off service would be much higher if purchased separately. It was unfair to traders that a consumer could consume part of the services bought through a service plan during the cooling-off period, and the charge for services consumed was calculated on a pro-rata basis on the total contract sum when the consumer cancelled the contract. As regards the scope of application of the proposal, she urged the Administration to consider adopting the Consumer Council's recommendation to cover timeshare contracts and travel club memberships so as to mitigate the negative labeling effect on the beauty service trade. Besides, she disagreed with the view that females were more prone to falling victims of unscrupulous traders, and stressed that the interests of consumers of both genders should be protected.

11. Mr Frankie YICK said that by selling service plans to customers, traders could have better cash flow and planning for their businesses. Therefore, allowing consumers to cancel contracts unilaterally would pose pressure on traders, in particular SMEs. He considered that the Administration should focus on deterring traders from employing UTPs, instead of introducing a statutory cooling-off period which would have an impact across the whole industry. To facilitate members' consideration on the proposal, he requested the Administration to provide information on the total number of transactions related to the beauty industry in Hong Kong in the past three years, and the percentage of such transactions that were found to be associated with UTPs.

(Post-meeting note: The Administration's response was issued to members vide LC Paper No. CB(4)705/18-19(01) on 1 April 2019.)

12. Mr Holden CHOW considered that although it was in principle the right way for the Administration to protect consumers' interests through the implementation of a statutory cooling-off period, the Administration should be mindful that normal business operation of honest traders should not be affected. He called on the Administration to further gauge the views of the public on the minimum pre-payment amount of contracts under the proposal. He was of the view that operation of the trades concerned would be largely affected if the amount was set at a low level, for example at \$500, as small-value contracts would be prone to abuse by customers.

13. The Deputy Chairman noted that certain beauty service traders were currently providing a voluntary cooling-off period of 24 hours to customers. He was of the view that if more traders were willing to provide a voluntary cooling-off period to their customers, it would help raise the credibility of the trade and protect consumers' interests. In this regard, he enquired about how extensive such voluntary cooling-off arrangements were applied in the beauty service trade, and whether any conditions were imposed on customers when such arrangements applied. Ms LEE Chun-fong of the Hong Kong Beauty and Hair Association advised that around 50% of the Association's member companies provided a voluntary cooling-off period of 24 hours without any conditions to their customers.

Conditions of service imposed on beauty service traders by banks

14. Mr SHIU Ka-fai pointed out that some banks had imposed more stringent conditions of acquiring service on beauty service traders by, for example, delaying payment to such traders since the public consultation on the

proposal had commenced. Such situation would seriously affect the traders' business operation. Given the Administration had advised that banks would not impose on beauty service traders more stringent conditions under the proposal, he urged the Administration to look into this matter.

15. In response, USCED said that at the meeting between the Administration, HKMA, banks and merchant acquirers on 22 February 2019, the banks and merchant acquirers present confirmed that they had not imposed more stringent conditions on beauty service traders. All representatives of banks and merchant acquirers present at the meeting agreed that the proposal would better regulate the trades concerned and hence facilitate credit risk management of banks and merchant acquirers, and could in the long run enhance the reputation of the trades. Letters signed by relevant banks and a merchant acquirer were tabled at the present meeting for members' reference. Mr SHIU Ka-fai did not subscribe to the Administration's explanation. He remarked that there were beauty service traders who received notifications from banks/merchant acquirers about extension of payment period after the announcement of the proposal.

16. Mr CHAN Chun-ying said that the Administration should focus on protecting consumers' interests without affecting the operation of the beauty service trade, and that issues relating to non-cash payments were one of the important matters to discuss in order to implement the proposal. He informed the meeting that he had met with some beauty service traders and explained to them that banks' handling of non-cash payments varied greatly, and that traders were free to choose the banks that could best cater for their needs. He clarified that acquirers in Hong Kong included not only the 11 banks but also some other merchant acquirers. At his meeting with HKMA and representatives from the 11 banks and certain merchant acquirers on 22 February 2019, it was confirmed that no changes had been made to the conditions as regards the acquiring service provided to the beauty service traders after the announcement of the proposal. Any change to the conditions for a few individual traders had to do with these individual traders' credit conditions. The aforementioned representatives also agreed that a cooling-off period would have positive impact on the assessment of traders' credit conditions.

17. Mr CHAN Chun-ying suggested that if a statutory cooling-off period of three or seven days for beauty and fitness services consumer contracts was introduced, traders could consider deferring the execution of credit card transactions until the lapse of the cooling-off period, so that in case customers wanted to cancel their contracts within the cooling-off period, no extra fee would be imposed by banks/merchant acquirers. He said that he put forward his suggestion at the aforementioned meeting on 22 February 2019, and that all representatives present agreed that such an arrangement would not result in a

further delay of payment to traders. As certain payment service providers, like Visa and Mastercard, did not allow deferring the execution of transactions, bank representatives undertook at the meeting that they would discuss with these companies to seek their consent in allowing traders to do so. He believed that merchant acquirers might be pressurized into allowing traders to defer the execution of the credit card transactions if such an arrangement had become a practice generally accepted by banks and payment service companies.

18. Dr Elizabeth QUAT said that she raised the suggestion of a statutory cooling-off period seven to eight years ago focusing on travel club memberships. She opined that the proposal could not solve different types of frauds, but might pose a negative labeling effect on the beauty and fitness services sectors. The Administration should strike a balance between protecting consumers' interests and maintaining the sustainable growth of the beauty service industry, and take heed of the practical difficulties the beauty service sector was facing. She was not convinced that the problems beauty service traders encountered with banks/merchant acquirers were only individual cases, as she had seen letters from merchant acquirers to beauty service traders informing the latter of a higher service charge and a longer repayment period. She also doubted if deferment of execution of credit card transactions until the lapse of the cooling-off period could effectively resolve the problems traders faced in respect of expenses arising from processing refunds. She would continue to follow up on this matter. Mr Holden CHOW and Ms Alice MAK also expressed similar concerns and urged the Administration to discuss with HKMA and the banks/merchant acquirers concerned with a view to solving the problems caused by the use of non-cash payments.

II. Any other business

19. There being no other business, the meeting ended at 1:15 pm.

**Panel on Economic Development
Special meeting on Friday, 1 March 2019, at 9:00 am**

**Meeting to receive views on agenda item I
"Statutory cooling-off period for beauty and fitness services consumer contracts"**

Summary of views and concerns expressed by deputations/individuals

No.	Name of deputation/individual	Submission/Major views and concerns
Session One		
1.	Bonlass Tera Plus Limited	The deputation opposed to the proposal. Since banks had imposed harsh terms on beauty service traders like extending the repayment period and increasing the administrative charges etc., survival of the traders was threatened.
2.	香港美容從業聯會	(a) The deputation opposed to the proposal, as it could easily be abused by customers; (b) current efforts of the Consumer Council and the Customs and Excise Department were adequate to protect consumers' interests; and (c) livelihood of small and medium enterprises ("SMEs") in the beauty service trade would be threatened as banks had imposed harsher terms on these enterprises.

No.	Name of deputation/individual	Submission/Major views and concerns
3.	Ms Rae TSOI	Ms TSOI opposed to the proposal as it might easily be abused by customers. As the price of a one-off service was usually higher than the average price of a batch of services bought through a service plan, some customers might ask for refunds after consuming part of the services under the service plan. This would threaten the survival of traders as it would increase their operating costs.
4.	Ms CHAN Ching-ting	The proposal might easily be abused by customers as they might ask for refunds after consuming part of the services under a service plan. This would increase the operating cost of traders. Besides, consumers' interests were adequately protected under the Trade and Descriptions Ordinance (Cap. 362) ("TDO").
5.	冼嘉敏女士	Ms SIN opposed to the proposal as it was unfair to beauty service traders that consumers could cancel the contract without providing a reason. Traders would also have to bear the cost arising from the cancellation. If a statutory cooling-off period had to be implemented, it should cover all services and retail trades to avoid labeling effect.
6.	馬詠襄女士	Ms MA opposed to the proposal as it would increase the financial burden of beauty service traders arising from additional administrative fees charged by banks in processing refunds. She considered that if a statutory cooling-off period had to be implemented, it should cover all other trades to avoid labeling effect. The Administration should also help the affected trades tackle the problem of the imposition of more stringent conditions of acquiring service imposed by banks.

No.	Name of deputation/individual	Submission/Major views and concerns
7.	陳玉鳳女士	The proposal could not effectively combat aggressive commercial practices ("ACPs") and would reduce the employment opportunities of practitioners in the beauty service trade. A more effective way to combat ACPs would be through public education and relevant enforcement actions by the Customs and Excise Department and the Consumer Council.
8.	纖體瘦身苦主聯盟	A statutory cooling-off period was the only effective means to deter unscrupulous traders from employing unfair trade practices ("UTPs"). The Administration was slow in making the relevant legislation.
9.	Ms Kay WAN	Ms WAN opposed to the proposal as it might label the beauty service trade as one filled with unscrupulous practices. The proposal would also lead to possible abuse by consumers, and increase in the operating cost of relevant traders.
10.	International CICA Association of Esthetics	LC Paper No. CB(4)608/18-19(01) (Chinese version only)
11.	The Lion Rock Institute	Most customers of the beauty and fitness services were females. The proposal was an insult to females as it would mean that females failed to protect their properties and thus required the legislation as a safety net.
12.	Democratic Party	LC Paper No. CB(4)605/18-19(01) (Chinese version only)

No.	Name of deputation/individual	Submission/Major views and concerns
13.	Federation of Beauty Industry (H.K.)	<p>(a) The deputation agreed that UTPs should be combatted, but considered that the proposal would be ineffective in this regard and would adversely affect honest traders in the beauty service trade. A statutory cooling-off period would affect traders' cash flow, in particular for SMEs, as banks had already imposed more stringent conditions in relation to the acquiring service provided to traders;</p> <p>(b) the Administration should consider introducing an examination and licensing regime for beauty service trade practitioners and encouraging the trade to provide a voluntary cooling-off period to its customers instead of introducing the proposal; and</p> <p>(c) if the proposal had to be implemented, the Administration should consider refining the arrangements by requiring consumers to provide a reason when requesting refunds; calculating the cost of services consumed during the cooling-off period based on the one-off service price; discussing with banks regarding the conditions of the acquiring service; and providing the cooling-off period to the disadvantaged people only.</p>
14.	The Cosmetics & Perfumery Association of Hong Kong	The deputation considered that the Administration and the Consumer Council were doing too little to combat ACPs.
15.	Beauty Industry Standardisation Organisation	LC Paper No. CB(4)631/18-19(01) (Chinese version only)

No.	Name of deputation/individual	Submission/Major views and concerns
16.	New People's Party	<p>(a) The Party welcomed the proposal. The interests of consumers and honest traders could be best protected if the proposal could be implemented together with a "membership scheme", in which the Administration only included honest traders who had no records of adopting UTPs; and</p> <p>(b) the Administration should consider covering other trades in the proposal.</p>
17.	Liberal Party	<p>(a) The administrative fee charged by banks to SME traders was much higher than the level proposed by the Administration. Together with the possible abuse by customers who enjoyed part of services under a service plan at a lower average price, the financial burden of traders would be increased; and</p> <p>(b) the Administration should step up efforts in enforcing TDO with a view to combating UTPs effectively.</p>
18.	Miss Diane LO	LC Paper No. CB(4)575/18-19(01)
19.	Pro Beauty Management Development Association	LC Paper No. CB(4)605/18-19(02) (Chinese version only)
20.	郭媚媚女士	Ms KWOK opposed to the proposal. The additional work resulting from refund requests would pose great pressure on SMEs and drive them out of business. A statutory cooling-off period targeting the beauty service trade would also affect female practitioners in the trade who strived to work for a living.

No.	Name of deputation/individual	Submission/Major views and concerns
21.	黃雅麗女士	Banks had imposed on SMEs in the beauty service trade unreasonable terms since the announcement of the proposal. The Administration should support the sustainable development of the trade and ensure availability of the relevant employment opportunities.
22.	陳瑜女士	LC Paper No. CB(4)597/18-19(01) (Chinese version only)
23.	Ms LAU Wing-sum	Ms LAU opposed to the proposal. Banks had been imposing more stringent conditions on beauty service traders including extending the repayment period and ceasing to provide Point of Sales terminals to traders if traders made refund requests with banks. Such would adversely affect the beauty service traders as most of the transactions were made by credit card payments. She also considered that TDO could adequately deter traders from employing UTPs.
24.	Ms YEUNG Ching-yee	Ms YEUNG opposed to the proposal. The beauty service trade had a lot of female practitioners who mostly had low educational qualifications. The livelihood of these practitioners would be threatened when beauty service companies were closed down due to the implementation of the proposal.
25.	吳志偉先生	Introduction of a statutory cooling-off period for beauty service consumer contracts would threaten the survival of traders. It was unnecessary to introduce the cooling-off period as TDO had already been implemented to combat UTPs.

No.	Name of deputation/individual	Submission/Major views and concerns
26.	林佩婷女士	Beauty service traders were mostly worried about the extended repayment period and refund requests made by customers without a reason. The individual also urged the Administration to devise a mechanism as appropriate to handle unsubstantiated complaints made by consumers against beauty service traders.
27.	蕭麗如女士	<p>(a) Ms SIU opposed to the proposal, as there would be increased administrative work relating to the refund requests and that banks had extended the repayment period for traders in the beauty service trade. It might affect the cash flow of traders, and would result in business closure and practitioners losing their jobs; and</p> <p>(b) the Administration should devise measures to restore the image of the beauty service industry in the long run.</p>
28.	Mr TANG Wai-man	<p>(a) Mr TANG opposed to the proposal. As complaint figures from the Consumer Council showed that complaints against the beauty service industry only ranked eighth, and that the figure was quite insignificant taking into account the large number of transactions in the trade in a year, the Administration should not impose the statutory cooling-off period on the trade. Furthermore, TDO already had the deterrent effect against unscrupulous traders; and</p> <p>(b) the extended repayment period imposed by banks, together with the proposed legislation, would lead to a wave of closure of beauty service companies.</p>

No.	Name of deputation/individual	Submission/Major views and concerns
29.	Ms CHAN Kai-hung	The proposal was unfair to the beauty service trade and practitioners as it would lead to business closure in the trade. Consumers would also suffer as they could not redeem service with the service plans they had bought if the beauty service company was closed down.
30.	Consumer Council	LC Paper No. CB(4)575/18-19(02) (Chinese version only)
Session Two		
31.	Ms Jo WONG	(a) The proposal would mislead the public into believing that the beauty service trade was filled with UTPs. It was also unfair to traders as customers need not provide a reason for cancelling the contract; and (b) while a statutory cooling-off period would curb communication between traders and customers, a voluntary cooling-off period was a better option for traders to maintain communication with their customers.
32.	Ms LAM Ho-yan	LC Paper No. CB(4)605/18-19(03) (Chinese version only)
33.	Mr TANG Ka-piu	Mr TANG supported the proposal as a statutory cooling-off period would allow traders to mediate with the customers concerned before moving on to any legal actions. The Administration could also explore along the direction of introducing voluntary cooling-off arrangements into the beauty service trade.

No.	Name of deputation/individual	Submission/Major views and concerns
34.	Democratic Alliance for the Betterment and Progress of Hong Kong	The deputation supported the proposal to protect customers from ACPs. However, the legislation might be subject to abuse by some customers and thus pose financial pressure on traders, in particular SMEs. The Administration should look into ways to protect both consumers and traders when implementing the cooling-off arrangements.
35.	香港健體專業人員總會	(a) Statutory cooling-off arrangements could boost consumers' confidence in the fitness service industry and serve as a positive reminder to practitioners; and (b) further discussion on the length of the refund period would be required, and guidelines relating to refund arrangements should be provided to the trades concerned.
36.	Asian Academy for Sports and Fitness Professionals	LC Paper No. CB(4)575/18-19(03) (Chinese version only)
37.	Starz Tech International Ltd	LC Paper No. CB(4)605/18-19(04) (Chinese version only)
38.	Mr Francis TSO	LC Paper No. CB(4)575/18-19(05) (Chinese version only)
39.	Miss CHAN Chui-yi	(a) Miss CHAN expressed strong opposition to the proposal. The Administration could help combat UTPs within the beauty service trade by raising the professionalism of practitioners, for example, through introducing a licensing regime to the trade; and (b) the more stringent conditions imposed by banks on traders might lead to a wave of closure of business. Consumers would ultimately suffer.

No.	Name of deputation/individual	Submission/Major views and concerns
40.	HK Association of Professional Aestheticians International	LC Paper No. CB(4)597/18-19(02) (Chinese version only)
41.	Miss WONG Wai-chi	(a) As transactions of higher value like real property and vehicles were not subject to any statutory cooling-off requirement, imposition of such requirement on the beauty service trade was a form of suppression of the trade; and (b) implementation of TDO could already protect the interests of both traders and consumers.
42.	HKJunkCall.com	LC Paper No. CB(4)575/18-19(06)] (Chinese version only)
43.	Miss CHAN Wai-fan	(a) Miss CHAN opposed to the proposal. Consumers would suffer if SMEs were closed down due to the introduction of a statutory cooling-off period. Besides, voluntary cooling-off arrangements were an effective means to combat UTPs; and (b) professionalism of the beauty service trade could be enhanced by introducing an examination system to the trade.
44.	Miss WU Mei-ling	Miss WU opposed to the proposal, as some complaints from customers were unreasonable. Even if a cooling-off period was to be introduced, 24 hours instead of the proposed three or seven days would be adequate for consumers to review their purchasing decisions thoroughly.

No.	Name of deputation/individual	Submission/Major views and concerns
45.	Miss Jessica CHEUNG	The proposal was unfair to legitimate traders, and might have a negative labeling effect on the beauty service trade. Besides, some consumers might abuse the cooling-off arrangements if they were not required to provide a reason when cancelling a contract.
46.	Ms Ruby WONG	<p>(a) A statutory cooling-off period for beauty service consumer contracts could help raise the image of the trade. However, the proposal might be subject to abuse by consumers as they could cancel the contract without giving a reason; and</p> <p>(b) SMEs in the beauty service trade would have problems with cash flow as banks might extend the repayment period due to the introduction of the proposal. This might lead to closure of business, affecting both practitioners and customers.</p>
47.	Miss LAW Wing-yee	Miss LAW opposed to the proposal as it might lead to abuse by consumers, and that the number of complaints relating to the beauty service trade was small. Furthermore, the administrative charge arising from refunds would pose great financial pressure on traders.
48.	Miss KWOK Kwan-sui	Miss KWOK opposed to the proposal as the beauty service trade would be adversely affected if consumers could request for refunds without providing a reason. Alternatively, the Administration should consider regulating the trade through other means, e.g. through a licensing regime.

No.	Name of deputation/individual	Submission/Major views and concerns
49.	Miss TSE Yu-mei	Miss TSE opposed to the proposal as it would lead to closure of business in the beauty service trade. Practitioners would lose their jobs and customers would not be able to redeem the services they had bought through service plans. Raising the professionalism of the trade by means such as introducing a licensing regime would be a better way to deter unscrupulous traders from employing UTPs.
50.	Miss TSANG Pui-man	Miss TSANG opposed to the proposal, as the proposed arrangements were unfair to the beauty service trade and would encourage consumers to make irresponsible purchasing decisions. Even if the statutory cooling-off arrangements were to be implemented, they should cover all trades which involved selling processes.
51.	Miss WONG Kin-shun	The proposal would lead to an extended repayment period and an increase in the administrative fee charged by banks. This was unfair to the beauty service trade.
52.	Ms WONG Ching-ming	LC Paper No. CB(4)575/18-19(07) (Chinese version only)
53.	Miss CHAN Po-ying	Miss CHAN supported the proposal to protect disadvantaged consumers from UTPs employed by unscrupulous traders. Furthermore, the cooling-off arrangements should cover other trades like the ones proposed by the Consumer Council in order to lessen the labeling effect on the beauty and fitness services sectors.

No.	Name of deputation/individual	Submission/Major views and concerns
54.	Miris Spa	LC Paper No. CB(4)575/18-19(08) (Chinese version only)
55.	Ms Yvonne LEUNG	LC Paper No. CB(4)575/18-19(09)
56.	消費者權益會	The Administration should consider: (i) covering timeshare contracts and online shopping in stipulating a statutory cooling-off period by legislation; (ii) covering contracts involving a prepayment of \$500 or above instead of the proposed \$3,000; and (iii) imposing imprisonment on repeated offenders.
57.	Ms KC CHAN	LC Paper No. CB(4)627/18-19(01) (Chinese version only)
58.	Miss KWOK Man-ha	<p>(a) Figures provided by the Consumer Council showed that the number of complaints against the beauty service trade was not the top among other trades, and had been dropping for three consecutive years. The number of prosecutions against beauty service traders for employing ACPs under TDO was very small;</p> <p>(b) the Administration could require beauty service traders to make video/audio recordings of the selling process to prove that no ACPs had been employed; and</p> <p>(c) even if a statutory cooling-off period was to be introduced, the length of the period should be 24 hours only.</p>

No.	Name of deputation/individual	Submission/Major views and concerns
59.	International Beauty Professionals Validation Association	The deputation strongly opposed to the proposal as TDO had already provided the necessary regulation against UTPs. Besides, it was important for the Administration to educate consumers to make wise purchasing decisions.
60.	Hong Kong Beauty and Hair Association	LC Paper No. CB(4)608/18-19(02) (Chinese version only)
61.	Medical Asthetic Professionals Association	LC Paper No. CB(4)605/18-19(05) (Chinese version only)
62.	Melody beauty	The deputation opposed to the proposal as it would pose greater financial burden on traders as banks had extended the repayment period. The deputation also disapproved of the proposed arrangements that consumers could cancel the contract without providing a reason, and that consumers could consume the services during the cooling-off period, cost of which was to be calculated on a pro-rata basis.
63.	MR Beauty & Slimming	The deputation opposed to the proposal as a statutory cooling-off period would be ineffective in tackling UTPs. Implementation of a cooling-off period would lead to a wave of closure of beauty service business, and was also unfair to honest traders.

No.	Name of deputation/individual	Submission/Major views and concerns
64.	Ms WONG Pui-yin	<p>(a) A statutory cooling-off period was not an effective means to enhance the quality of service and professionalism of the beauty service trade, nor could it combat UTPs effectively; and</p> <p>(b) the following suggestions were made to combat ACPs: introducing a licensing regime to the beauty service trade; providing for a voluntary cooling-off period of 24 hours; requiring beauty parlours to make video/audio recordings in the selling process; educating consumers on relevant matters; and providing relevant training to practitioners.</p>