

**For Discussion on
24 June 2019**

**LEGISLATIVE COUNCIL
PANEL ON HOME AFFAIRS**

**Licensing Regime Proposed by the
Property Management Services Authority**

PURPOSE

This paper briefs Members on the licensing regime proposed by the Property Management Services Authority (“PMSA”) for regulating and controlling the provision of the property management services (“PMSs”).

BACKGROUND

Establishment and Functions of the PMSA

2. The Property Management Services Ordinance (Cap. 626) (“PMSO”) was enacted by the Legislative Council (“LegCo”) on 26 May 2016. The PMSA is a body corporate established in accordance with section 42(1) of the PMSO. According to section 43 of the PMSO, the principal functions of the PMSA are –

- (a) to regulate and control the provision of PMSs in Hong Kong by the licensing of property management companies (“PMCs”) and property management practitioners (“PMPs”);
- (b) to promote the integrity, competence and professionalism of the profession of PMSs; and
- (c) to maintain and enhance the status of the profession of PMSs.

Licensing Framework

3. The PMSO provides for a single-tier licensing regime of PMCs. A PMC has to fulfil all the licensing criteria, including the minimum number of employees holding PMP licences, the suitability of the company in

holding PMC licence, etc., which will be set out in the subsidiary legislation for the licensing regime to be made by the PMSA¹.

4. The PMSO also provides for a two-tier licensing regime of PMPs². Only those PMPs who take up a supervisory or managerial role in the provision of PMSs in a PMC will be subject to licensing. Frontline staff will not be required to obtain PMP licences. The PMP licensing criteria will be set in terms of academic qualifications, professional qualifications, years of working experience and the suitability of the person in holding PMP licence. The qualification requirements for the first tier of PMPs will be higher than that for the second tier of PMPs. Such a two-tier system would help encourage PMPs to pursue professional development and upgrade to the upper tier, while continuing to allow PMPs with a lower level of qualifications to have access to the job market.

THE LICENSING REGIME PROPOSED BY THE PMSA

Public Consultation

5. The PMSA conducted a two-month public consultation on its proposals for the licensing regime in November 2018. The major views received and the PMSA's responses are summarised in the PMSA's separate paper entitled "*Licensing Regime for Property Management Companies and Property Management Practitioners*".

Engagement with Stakeholders

6. During the public consultation, the Home Affairs Department, as a member of and serving as a policy interface with the PMSA, joined various engagement sessions with stakeholders to make clear the Government's policy on property management and the policy intent of the PMSO. Specifically –

¹ Pursuant to sections 3 and 15 of the PMSO, the PMSA may, by regulation, prescribe a service as a PMS, as well as the criteria for holding a licence, the conditions that may be imposed on a licence, and other related matters.

² According to section 6 of the PMSO, a person with a PMP (Tier 1) licence may describe himself or herself as a "registered professional property manager" and a person with a PMP (Tier 2) licence may describe himself or herself as a "licensed property management officer". The PMSA may, according to section 15 of the PMSO, prescribe by regulation the criteria for holding a licence, and may impose more stringent requirements for a PMP (Tier 1) licence.

- (a) on the scope of the licensing regime, we have clarified and reiterated that the legislation does not intend to cover –
 - (i) frontline workers and their direct line managers who have no overall supervisory or managerial role over the multiple PMSs provided by the PMCs³;
 - (ii) companies and practitioners providing only one type of PMSs⁴ (including those companies that only provide cleaning, safety and/or landscaping service(s)); and
 - (iii) services that have already been regulated under other statutory regimes (e.g. legal professions) to avoid double regulation; and
- (b) on owners' corporations – we clarified that performing the duties under the Building Management Ordinance (Cap. 344) does not equate to carrying on the business of providing PMSs. The only exception is “self-managed” properties which contain 1 500 or more flats. We reiterated our policy intent vide a letter on 21 January 2019 issued to all owners' corporations in Hong Kong (with copies to all LegCo and District Council Members), and in our reply to a written question for the LegCo meeting on 30 January 2019.

7. We have invited the PMSA to take into account the views received in revising its proposals so as to strike the right balance between the regulatory requirement and the development of the trade.

Revised Licensing Proposals

8. The PMSA has set out their revised proposals in its separate paper submitted to the Panel. We consider that the revised proposals should have largely addressed the views collected in the public consultation, taking into account the Government's policy on property management and the policy intent of the PMSO.

³ Under the PMSO, “PMP” means an individual who assumes a **managerial or supervisory** role in a PMC **in relation to PMSs** provided by the company.

⁴ The PMSO provides that PMC whose business does not involve the provision of PMSs that fall within **more than one category of services** will not be required to be licensed.

WAY FORWARD

9. We look forward to Members' support for the PMSA's proposals and the early implementation of the licensing regime to enhance the quality of PMSs.

**Home Affairs Bureau
Home Affairs Department
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