LC Paper No. CB(2)1852/18-19(01)

民政事務總署

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2 August 2019

Ms Joanne MAK Clerk to the Panel on Home Affairs Legislative Council Complex 1 Legislative Council Road Central, Hong Kong

Dear Ms MAK,

Panel on Home Affairs Follow-up to the Meeting on 24 June 2019

We have received your letter dated 25 June 2019.

We noted that two motions under the agenda item "Licensing Regime Proposed by the Property Management Services Authority" were passed at the meeting of the Panel on Home Affairs on 24 June 2019, requesting the Property Management Services Authority ("PMSA") to, as soon as practicable, further consult the trade and listen to the views of various stakeholders before proceeding with legislative procedures to implement the licensing regime and in respect of the licensing criteria, with a view to allowing discussions between the trade and the PMSA and reaching consensus to better meet the needs of various stakeholders.

As a member of the PMSA and the interface of the relevant policy, the Home Affairs Department will urge the PMSA to continue to proactively consult the relevant stakeholders, including the trade, professional bodies, District Councils, owners' corporations, etc., so as to further listen to their views on the licensing regime and to address their concerns. The Home Affairs Department will continue with the prevailing practice to proactively participate in the meetings and engagement sessions between the PMSA and the stakeholders on matters related to the licensing regime. Enclosed please find the response from the PMSA to the two motions passed under the agenda item above for Members' reference.

Yours sincerely,

(Miss Grace LI) for Director of Home Affairs

Encl.

16 July 2019

Ms Joanne MAK Clerk to the Panel on Home Affairs Legislative Council Complex 1 Legislative Council Road Central, Hong Kong PMSA 物業管理業監管局 PROPERTY MANAGEMENT SERVICES AUTHORITY

Dear Ms MAK,

(By fax and by post)

Panel on Home Affairs Follow-up on the Meeting on 24 June 2019 Proposed Licensing Regime for Property Management Companies and Property Management Practitioners

The Property Management Services Authority (Authority) received, via the Home Affairs Department, your letter dated 25 June 2019 addressed to the Secretary for Home Affairs.

We would like to express our gratitude to the Panel on Home Affairs (Panel) for allowing the representatives of the Authority to brief the Panel at the meeting held on 24 June 2019 on the proposed licensing regime for the Property Management Companies and Property Management Practitioners (Licensing Regime), the relevant background and the consultation work carried out. Regarding the two motions on "The licensing regime proposed by the Authority" passed at the meeting, which advise the Authority to further gauge the views of the industry and stakeholders before embarking on the legislative procedures for the implementation of the Licensing Regime, our reply is as follows.

Consultation Work Completed

The Authority has been, through continuous and active dialogue with stakeholders for their views and for understanding the mode of operation of the industry, formulating a practicable licensing regime that will benefit both the industry and the society.

Since October 2017, the Authority has conducted a number of consultations with stakeholders, including the industry and the public, on the draft framework of the Licensing Regime. Furthermore, the Authority initiated meetings with various industry bodies, trade unions, organisations, councillors, owners' corporations and members of the relevant sectors to solicit their views. After the public consultation conducted at the beginning of this year, the Authority has fully considered the concerns of stakeholders, and has accordingly clarified and optimised some details of the Licensing Regime to dispel their doubts.

Since 20 May 2019, the Authority has announced the latest details on the Licensing Regime to the media and disseminated such through its website. The Authority also met with relevant stakeholders, in particular, the more than 30 organizations and stakeholders who have previously expressed specific opinions or concerns, including the Chartered Institute of Housing Asian Pacific Branch, the Hong Kong Association of Property Management Companies, the Hong Kong Institute of Facility Management, the Hong Kong Institute of

Housing and the Housing Managers Registration Board (Five Organisations). On 20 June 2019, the Authority also attended the Meeting of the Chairmen and Vice-chairmen of the 18 District Councils (DCCVC) to explain the regime. Responses were generally positive.

As an important step of the consultation process, the Authority set out, in the "LC Paper No. CB(2)1662/18-19(02)" (LC Paper), the background, the consultation work carried out and a summary of the Licensing Regime on which consensus had been basically reached among stakeholders, and briefed the Panel at the aforesaid meeting. Stakeholder consultation has continued after the meeting as planned for promoting the subsidiary legislation as well as for formulating the relevant codes of conduct and guidelines.

Forthcoming Consultation Work Plan

In respect of the above two motions on the Licensing Regime passed by the Panel, the Authority would like to summarise and report the forthcoming work plan on consultation as follows:

(1) <u>Strengthening communication and liaison with the industry, relevant institutes and professional bodies</u>

Regarding the joint letter dated 23 June 2019 before the Panel Meeting by the Five Organisations to the members of the Legislative Council, the relevant departments and the Authority, the Authority is of the view that their comments are mainly on two aspects, namely, differences in the interpretation of the draft subsidiary legislation and in the understanding of the LC Paper as well as that certain details of the licensing requirements should be set out in the subsidiary legislation instead of the codes and guidelines to be issued upon the commencement of the subsidiary legislation. In fact, these two aspects of comments do not disagree with the framework of the proposed regime on which consensus with stakeholders has already been reached and summarised in the LC Paper. To this end, the Authority has scheduled a meeting with the Five Organisations for 22 July to explain the above and to address their concerns. A written reply will be made after the meeting.

Notwithstanding the meetings held with the industry, relevant institutes and professional bodies, the Authority will continue to attend seminars and talks organised by these stakeholders to solicit their views on the Licensing Regime.

Furthermore, the Authority has, since early June 2019, been conducting a questionnaire survey on property management companies and property management practitioners in order to establish contacts with the industry and to obtain the relevant information and data to facilitate the implementation of the Licensing Regime.

(2) Soliciting public views through District Councils

Further to the DCCVC Meeting held in mid-June 2019, the Authority has continued to contact the 18 District Councils to arrange meetings for explaining the Licensing Regime and soliciting views. As at 9 July, the Authority has met or arranged meetings with seven District

Councils or their committees. In addition, the Authority has written to the 18 District Councils to invite comments.

(3) Relieving concerns of owners' corporations

The Authority had written to all owners' corporations and owners' committees (owners' organisations) to invite views on the Licensing Regime. A considerable number of owners' organisations had expressed concerns about whether they would be required to hold a licence. Despite the open explanations already promulgated on this regard by the Home Affairs Department and the Authority, the Authority is actively contacting the owners' organisations which have submitted comments, to further dispel their misunderstandings.

(4) Organising briefing sessions

The Authority is arranging briefing sessions to solicit different stakeholders' views on the Licensing Regime.

(5) Publishing comprehensive information and to invite views online

In order to facilitate stakeholders to understand the latest details of the Licensing Regime and the contents of the draft subsidiary legislation, the Authority has uploaded a fact sheet, frequently asked questions and draft subsidiary legislation to its website for public perusal and views.

With a view to implementing the Licensing Regime in early 2020, the Authority plans to submit the draft subsidiary legislation in the fourth quarter of 2019 to the Legislative Council for negative vetting and will continue to seek views from stakeholders for formulating appropriate codes and guidelines.

If you have questions on the above, please do not hesitate to contact the undersigned at 3696 1188 or Mr Kevin CHEUNG, General Manager (Regulatory), at 3696 1138.

Yours sincerely,

LEUNG Tung Choi, Thomas Chief Executive Officer