

**For information  
on 5 November 2019**

**Legislative Council Panel on Health Services and  
Panel on Commerce and Industry**

**Joint Subcommittee on Issues Relating to the Regulation of Devices and  
Development of Beauty Industry**

**Government's Policies and Measures to Support the  
Industrialisation of Beauty Industry**

**Purpose**

This paper outlines the measures implemented by relevant bureaux and organisations which help support the industrialisation of the beauty industry.

**Funding support for the development of small and medium enterprises (“SMEs”) in Hong Kong including those in the beauty industry**

2. It has been the Government's policy to provide a favourable business environment for and render appropriate support to various trade and industries so that they can build on their respective strengths and grow. To this end, the Government has, through various bureaux and departments, introduced more than 40 funding schemes<sup>1</sup> to support business enterprises and organisations in such areas as exploring export markets, obtaining financing, enhancing overall competitiveness, increasing productivity or upgrading or transforming business processes through adoption of technological services or solutions, and conducting research and development work, etc.

3. The Trade and Industrial Organisation Support Fund, for instance, provides financial support to non-profit distributing organisations to implement projects which aim at enhancing the competitiveness of Hong Kong enterprises

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<sup>1</sup> Examples are the Dedicated Fund on Branding, Upgrading and Domestic Sales, the SME Export Marketing Fund, the SME Loan Guarantee Scheme, the SME Financing Guarantee Scheme, the Retail Technology Adoption Assistance Scheme for Manpower Demand and Management, the Trade and Industrial Organisation Support Fund, and the Technology Voucher Programme and the Enterprise Support Scheme under the Innovation and Technology Fund, etc.

in general or in specific sectors. Fundable activities include seminars, workshops, conferences, exhibitions, research studies, award schemes, codes of best practices, databases, service centres, support facilities and technology demonstrations, etc. Some other funding schemes, such as the Dedicated Fund on Branding, Upgrading and Domestic Sales and the SME Export Marketing Fund, provide support for Hong Kong enterprises in exploring export markets and enhancing their overall competitiveness.

4. In addition, the Government provides loan guarantee for enterprises under the SME Loan Guarantee Scheme, as well as the special concessionary measures under the SME Financing Guarantee Scheme (“SFGS”) (i.e. 80% guarantee product) to assist enterprises in obtaining financing in the commercial lending market. The Government will also introduce a new loan guarantee product under the SFGS, under which 90% guarantee will be provided for approved loans to help smaller-sized enterprises and businesses with relatively less operating experience, as well as professionals seeking to set up their own practices to obtain financing.

5. The Government welcomes the beauty industry to make good use of the relevant funding or financing schemes.

### **Development of Qualifications Framework for the beauty industry**

6. Members are invited to refer to the paper submitted under agenda item III of this meeting (LC Paper No. CB(4)808/18-19(01)) for details.

### **Training courses organised by the Employees Retraining Board (“ERB”) for the beauty industry**

7. Amongst the around 700 training courses straddling 28 industries currently offered by the ERB, there are 57 courses under the industries of “beauty therapy” or “hairdressing”, including seven full-time placement-tied courses and 50 part-time “Skills Upgrading Scheme Plus” courses. Unemployed graduates of placement-tied courses will be offered with placement services for up to six months. In Year 2018-19, around 7 900 trainees completed the beauty therapy or hairdressing courses by the ERB.

8. In general, the ERB will consult its 19 Industry Consultative Network (including the one for beauty therapy and hairdressing industries) to ascertain the employment opportunities of a particular industry or occupation and the need for developing corresponding training courses. On top of the currently

available training courses, in the event that individual employers or associations can provide sufficient job vacancies and attractive terms of employment, they may approach the ERB regarding the development of more training courses as appropriate.

## **Regulatory measures**

### *Regulation of Medical Devices*

9. To protect public health while ensuring our community's continued access to the benefits of new technologies, the Government has planned to introduce a statutory regime for the regulation of medical devices<sup>2</sup>. The proposed regulatory framework adopts a risk-based approach whereby the level of control would be proportional to the degree of risk classified for medical devices according to the recommended classification scheme of the International Medical Device Regulators Forum (previously known as the Global Harmonization Task Force<sup>3</sup>).

10. The regime covers medical devices used in cosmetic procedures. While the purpose of these devices is to enhance physical appearance, they bring about effect on human tissues and cells similar to those medical devices intended for treatment or rehabilitation in terms of technology deployed, mechanism of actions and risk profile on human body.

11. The proposed regulatory framework comprises pre-market control to ensure medical devices conform with the requirements on safety, quality, performance and efficacy before allowing them to be placed on the market<sup>4</sup>; and post-market control to enable swift control measures against defective or unsafe medical devices<sup>5</sup>.

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<sup>2</sup> The term "medical devices" generally refers to any instrument, apparatus or appliance that is used for diagnosis, treatment or monitoring of diseases and injuries. It covers devices that are used for the purpose of investigation, replacement, modification or support of the anatomy or physiological process of the human body.

<sup>3</sup> Global Harmonization Task Force ("GHTF") was formed in 1992 by regulatory authorities and trade representatives of the United States, Canada, Australia, Japan and the European Union to harmonise the standards and principles of regulating medical devices. In 2011, GHTF was disbanded, and a new regulator-led group known as International Medical Device Regulators Forum was formed to build on the foundational work of GHTF and aims to accelerate international medical device regulatory harmonisation and convergence.

<sup>4</sup> Pre-market control comprises registration or listing of medical devices, and registration and licensing of traders of medical devices in Hong Kong.

<sup>5</sup> Post-market control refers to the duties of traders of medical devices in Hong Kong to ensure the safety of medical devices supplied in the market, including maintaining records of supply, reporting adverse incidents associated with the medical devices and its investigation results as well as implementing remedial measures to the satisfaction of DH, etc.

12. The proposed regulatory framework not only provides a better protection of public health, but also raises the standard and status of medical devices supplied, including those used in cosmetic procedures, and the industry in Hong Kong in the long run. For the latest development and details of the proposed regulatory regime, please refer to our previous submissions to the Panel on Health Services (vide LC Paper No. CB(2)1787/17-18(03), LC Paper No. CB(4)671/18-19(01) and LC Paper No. CB(4)677/18-19(01)) We plan to introduce the Medical Devices Bill in the next term of the Legislative Council.

*Statutory cooling-off period for beauty services consumer contracts*

13. In view of the large number of complaints involving aggressive commercial practices related to beauty and fitness services in recent years, and having considered the views from various sectors of the community, the Commerce and Economic Development Bureau (“CEDB”) launched a three-month public consultation on the proposal to stipulate a statutory cooling-off period for beauty and fitness services consumer contracts early this year. CEDB is studying and consolidating the numerous submissions received during the consultation period. CEDB’s target is to publish the public consultation report and to introduce the relevant bill into the Legislative Council in early 2020.

14. It is envisaged that a statutory cooling-off period regime for beauty services consumer contracts would help build consumer confidence in and enhance the image of the beauty trade, and would be conducive to its long-term sustainable development.

**Advice Sought**

15. Members are invited to note the content of the paper.

**Food and Health Bureau**

**Commerce and Economic Development Bureau**

**Labour and Welfare Bureau**

**Education Bureau**

**Department of Health**

**Employees Retraining Board**

**November 2019**