

# Full implementation of new regulatory regime of travel industry on September 1

The new regulatory regime of the travel industry will be implemented in full from September 1 this year. The Government gazetted today (May 6) the following seven pieces of subsidiary legislation made for the full implementation of the new regulatory regime:

- (i) Travel Industry Ordinance (Commencement) Notice 2022;
- (ii) Travel Industry (Authority Levy – Percentage of Outbound Fare) Notice;
- (iii) Travel Industry (Compensation Fund Levy – Percentage of Outbound Fare) Notice;
- (iv) Travel Industry (Collection, Payment and Recording of Levies) Regulation;
- (v) Travel Industry Compensation Fund (Amount of Ex Gratia Payments) Regulation;
- (vi) Travel Industry Compensation Fund (Procedure for Ex Gratia Payments) Regulation;
- (vii) Travel Industry (General) Regulation.

The Travel Industry Ordinance (Cap. 634) (TIO) was passed by the Legislative Council (LegCo) in November 2018. Some of the provisions were brought into operation and the Travel Industry Authority (TIA) was established as a statutory regulatory body according to the relevant provisions in January 2020. The remaining provisions will be implemented together with the above-mentioned seven pieces of subsidiary legislation.

A spokesman for the Commerce and Economic Development Bureau said, "Since its establishment, the TIA has been actively taking forward preparatory work for the full implementation of the new regulatory regime of the travel industry, and conducted a trade consultation on the implementation details including the subsidiary legislation from February to April this year. In summary, the trade generally expected an early and smooth transition to the new regulatory regime.

"The pieces of subsidiary legislation were made in accordance with the framework of the TIO, and reflect the views raised by the trade during the trade consultation as well as the consensus of the TIA after its detailed study and discussion. The legislative proposal was supported by the LegCo Panel on Economic Development."

Among the seven pieces of subsidiary legislation, the Travel Industry Ordinance (Commencement) Notice 2022 (Notice) appointed July 4, 2022, as the implementation day for the provisions of the TIO related to transition, and September 1, 2022, as the implementation day for the remaining provisions that are not yet operational. In accordance with the Notice, the TIA can

commence the transitional work with the Travel Agents Registry under the Tourism Commission, the Travel Industry Council of Hong Kong and the Travel Industry Compensation Fund Management Board from July 4, 2022, and take over the statutory functions and responsibilities such as licensing, regulation of the industry, administration of the Travel Industry Compensation Fund (TICF) and imposition of levies on travel agents on September 1, 2022. Before the full implementation of the new regulatory regime, the existing regulatory regime for the travel industry continues to operate.

The remaining six pieces of subsidiary legislation are related to the various implementation details of the new regulatory regime, including specifying the levies to be paid by licensed travel agents to the TIA and the TICF to be maintained at 0.15 per cent and 0 per cent of each outbound fare respectively; prescribing adoption of the current E-levy System for the collection, payment and recording of levies under the new regulatory regime; prescribing the detailed arrangements such as the amount and procedure for the ex gratia payment under the TICF; and matters such as prescribing the licence conditions and general requirements imposed on licensed travel agents among others.

The seven pieces of subsidiary legislation will be tabled in the LegCo for negative vetting on May 11, 2022.

The spokesman said, "Following the implementation of relevant provisions of the TIO and the above-mentioned subsidiary legislation, the new regulatory system for the travel industry will be fully implemented. The Government expects that the new regime would further enhance the professionalism of the travel industry, and promote the long-term healthy development of the industry."