

LCQ11: Combating the operation of unlicensed hotels or guesthouses

Following is a question by the Hon Yiu Pak-leung and a written reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (June 21):

Question:

According to the Hotel and Guesthouse Accommodation Ordinance (Cap. 349), operating or managing an unlicensed hotel or guesthouse is a criminal offence. It has been reported that during the COVID-19 epidemic, some people rented out yachts for use as "floating guesthouses". Some members of the hotel and guesthouse industries have also relayed that since the full resumption of normal travel between Hong Kong and the Mainland in early February this year, some operators of unlicensed hotels or guesthouses have accepted room reservations via online platforms. In this connection, will the Government inform this Council:

- (1) of the number of complaints in relation to unlicensed hotels or guesthouses received by the authorities in each of the past six months, and the respective numbers of persons who were prosecuted and convicted;
- (2) of the following information on the law enforcement actions taken by the authorities in respect of suspected operation of unlicensed hotels or guesthouses in each of the past six months: (i) the number of inspections, (ii) the districts inspected, and (iii) the number of times for which evidence was collected by means of decoy operations;
- (3) given that according to section 5(1) of Cap. 349, a person commits an offence if the person operates, keeps, manages or otherwise has control of any premises that are a hotel or guesthouse while no licence is in force for the premises, whether the provision applies to pleasure vessels used for residential purposes in the waters of Hong Kong; if so, of the details; and
- (4) of the concrete plans the Government has in place to step up the efforts in combating unlicensed hotels or guesthouses and conduct more publicity and promotion for Cap. 349, so as to enhance the deterrent effect?

Reply:

President,

Operation of hotels or guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance). The Ordinance aims to ensure that premises intended to be used as hotels or guesthouses are suitable for such a purpose, including compliance with statutory standards in respect of building and fire safety to safeguard

lodgers and members of the public. As stipulated in the Hotel and Guesthouse Accommodation (Exclusion) Order (Cap. 349C), if a premise in which all accommodation is provided for a period of 28 continuous days or more for each letting, it is excluded from the application of the Ordinance.

The Office of the Licensing Authority (OLA) under the Home Affairs Department is responsible for administering the Ordinance, including issuing licences and performing enforcement duties.

In consultation with the Transport and Logistics Bureau, our reply to the question raised by the Hon Yiu is as follows:

(1) The number of complaints related to suspected unlicensed hotels or guesthouses received by the OLA and the enforcement statistics in the last six months (from December 2022 to May 2023) are provided below:

€€	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Total
Number of Complaints	14	98	19	54	54	141	380
Number of Prosecutions*	6	4	5	7	4	13	39
Number of Convictions*	5	5	8	5	7	0	30

*The number of prosecutions and convictions for operating unlicensed hotels or guesthouses usually relate to incidents happened before that particular month.

(2) The statistics of inspections to suspected unlicensed hotels or guesthouses carried out by the OLA in each of the 18 districts in the last six months (from December 2022 to May 2023) are provided below:

District	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Total
Islands	79	47	49	46	35	30	286
North	16	3	3	4	3	3	32
Sai Kung	28	9	17	16	18	11	99
Sha Tin	6	1	2	1	3	5	18
Tai Po	5	1	0	2	2	3	13
Tsuen Wan	9	2	4	4	5	6	30
Tuen Mun	14	3	2	4	5	6	34
Yuen Long	40	11	14	18	12	11	106
Kwai Tsing	1	1	2	0	0	2	6

Central and Western	45	9	22	23	31	13	143
Wan Chai	119	27	33	39	49	66	333
Eastern	34	11	10	6	8	7	76
Southern	2	2	3	1	1	7	16
Kowloon City	6	2	2	2	3	2	17
Kwun Tong	4	3	4	2	1	1	15
Sham Shui Po	41	5	13	11	16	9	95
Wong Tai Sin	1	1	2	1	1	1	7
Yau Tsim Mong	587	291	277	329	342	438	2 264
Total	1 037	429	459	509	535	621	3 590

In order not to undermine investigation and enforcement work in the future, it would not be appropriate to disclose the specific investigation tactics adopted by the OLA (including collecting evidence by posing as clients (commonly known as "snaking")) and the related statistics.

(3) Pleasure vessels are outside the scope of the Ordinance. Under the Merchant Shipping (Local Vessels) (Certification and Licensing) Regulations (Cap. 548D), a pleasure vessel (i.e. Class IV vessel) shall only be used by its owner, or if it has been let to any person, by that person exclusively for pleasure purposes. If a pleasure vessel is used for non-pleasure purposes in the Hong Kong waters, the owner of the vessel, his agent and the coxswain each commits an offence and is liable on conviction to a maximum fine of \$10,000.

The Marine Department (MD) conducts daily patrols in different areas of Hong Kong and carries out investigations based on reports or complaints from the public. If illegal activities are found, such cases will be handled in accordance with the law. In recent years, the MD has noticed that some pleasure vessels are being used for non-pleasure purposes. In view of this, the MD has taken law enforcement operations specifically, including "snaking", to combat pleasure vessels being used for non-pleasure purposes.

(4) The OLA has spared no effort and adopted a multi-pronged approach to combat unlicensed hotels and guesthouses, including strengthening law enforcement action, enhancing deterrent effect, stepping up publicity.

As for law enforcement action, when a suspected unlicensed hotel or guesthouse operation is identified or such a report is received, the OLA will inspect the premises concerned within eight working days. Having regard to the circumstances of individual cases, the OLA will follow up and collect evidence by employing the most appropriate and effective means, such as conducting surprise inspections at different times, launching inter-departmental joint operations with other relevant departments, or adopting

"snaking" to collect evidence.

To strengthen law enforcement action, the Ordinance was amended in December 2020 and introduced a "strict liability" offence. The offence targets a new mode of business operation, where with the aid of technology, illegal operators could avoid the need to be physically present at the premises. If there is evidence which proves that the premises are used as unlicensed hotels or guesthouses, the owners and tenants of the premises, even if not physically present at the premise, may be held criminally liable. In addition, the Ordinance also empowers the OLA to apply to the court for a search warrant to enter into the concerned premises to inspect and search for evidence to combat unlicensed hotels and guesthouses.

Operating or managing an unlicensed hotel or guesthouse is a criminal offence and will lead to a criminal record if convicted. The owner or tenant of the subject premises, unless a statutory defence can be established, also commits a criminal offence. The maximum penalty is a fine of \$500,000 and three years' imprisonment. A six-month closure order may also be issued for the premises involved in a repeated offence.

To strengthen the deterrent effect, the OLA will pass information on convicted records of successful prosecution cases and their relevant details to the Rating and Valuation Department, the Inland Revenue Department, mortgage banks or monetary institutions, owners' corporations of the buildings, etc, so that they can take follow-up actions under their respective purviews. Should an estate agent be convicted, the OLA will also pass the conviction record to the Estate Agents Authority for follow-up actions.

As regards publicity, the OLA has uploaded a list of licensed hotels and guesthouses onto its webpage (www.hadla.gov.hk) and launched a mobile application "Hong Kong Licensed Hotels and Guesthouses" to help tourists search for the latest details, licence numbers and addresses of licensed hotels or guesthouses. In order to facilitate tourists in identifying whether the guesthouses they are staying in are licensed, the OLA requires all licensed guesthouses to display guesthouse logos at main entrances as well as the door of each of the rooms of the guesthouses. The OLA has also conducted publicity works on internet search engine outside Hong Kong to help tourists access information of licensed hotels and guesthouses.

The OLA will review and flexibly adjust its enforcement and publicity strategies and continue to combat and eradicate unlicensed hotels and guesthouses vigorously.

LCQ15: Management fees of private housing

Following is a question by the Hon Paul Tse and a written reply by the Secretary for Home and Youth Affairs, Miss Alice Mak, in the Legislative Council today (June 21):

Question:

It is learnt that complaints against property management companies (PMCs) for unsatisfactory services and excessively high charges occur from time to time. According to a study report of the Consumer Council (CC), CC received a total of nearly 700 complaints related to property management in the past 11 years and, among them, nearly 50 per cent of the respondent owners considered the amount of management fee to be too high, and more than 20 per cent of the owners considered the level of management fee unreasonable. In addition, some members of the public have criticized that PMCs charge high fees and wield great power (for example, during the COVID-19 epidemic, the PMC of a blue-chip housing estate received subsidies under the Government's Employment Support Scheme on the one hand, and significantly increased the management fee by nearly 10 per cent on the other), and facing the substantial increase in management fees by PMCs year after year, minority owners are left with no solutions as the regulatory requirements in the Building Management Ordinance (Cap. 344) governing the increase in management fees by PMCs are too lenient. Also, given the fact that developers of large-scale housing courts are mostly the majority owners of their courts, even if all the ownership shares of the minority owners are taken into account, it is not enough to replace the PMCs (the deeds of mutual covenant (DMCs) of some blue-chip housing estates even specify the PMC to be selected in the future). Such situation is like "being robbed of money by the developer's PMC year after year in front of one's eyes". In this connection, will the Government inform this Council:

- (1) whether it has compiled statistics on the number of PMCs of large-scale private housing courts in the territory which are affiliated companies of the developers of the courts concerned; if so, of the details;
- (2) whether it has gained an understanding of the average rate of increase in the management fees charged by PMCs of large-scale private housing courts in the territory in the past five years;
- (3) as the relevant provisions of Cap. 344 provide that the rate of increase in the management fee does not need to be approved by a resolution passed at a general meeting convened by the management committee or the corporation as long as it does not exceed 50 per cent, whether the authorities will consider amending Cap. 344 to lower the relevant threshold, so as to protect the rights and interests of minority owners; and

(4) given that situations like the aforesaid one, where the developer of a large-scale blue-chip housing court has stipulated in the DMC that the PMC of its subsidiary is responsible for the management of the court, and it has been difficult for minority owners to pool together enough ownership shares to amend the DMC and replace the PMC of the developer, are described by some owners as akin to forced patronage, whether the Government has examined if the aforesaid situation has violated the principle of competition, and whether it will request the Competition Commission to intervene and investigate?

Reply:

President,

The Government's role in building management is to encourage and facilitate owners to form suitable residents' organisations, including the formation of owners' corporations (OCs) in accordance with the Building Management Ordinance (Cap. 344) (BMO), so as to support owners in discharging their responsibility for managing their buildings. Meanwhile, the Property Management Services Authority (PMSA) established under the Property Management Services Ordinance (Cap. 626) "PMSO) is responsible for the implementation of the licensing regime for the property management (PM) sector, which will promote the professional development of the PM sector, and enhance the competence and conduct of the PM sector.

In consultation with the Commerce and Economic Development Bureau, the reply to the four parts of the question is as follows:

(1) According to the estimate by the PMSA, there are about 700 PM companies (PMCs) in Hong Kong required to be licensed under the PMSO. The PMSA does not have statistics on whether PMCs are related companies of developers.

(2) Fees payable to PMCs engaged by each building or estate and the level of adjustment of such fees vary depending on factors including the condition of the building or estate, ancillary facilities of the building or estate, and services PMCs need to provide. The PMSA does not have relevant figures.

(3) The BMO provides for the formation and operation of OCs, including the financial management of OCs. It stipulates, inter alia, that the management committee of an OC shall determine the amount to be contributed by owners to the building's funds in accordance with the annual budget.

According to section 21(1A) of the BMO, if the relevant amount exceeds the preceding amount by over 50 per cent, approval by the OC through a resolution passed at a general meeting is required. The provision aims to protect owners by ensuring that their approval has to be obtained for significant increase in the fees. It, however, does not mean that owners can only veto an increase of building management fees that exceeds 50 per cent. Pursuant to paragraph 1(6) of Schedule 7 to the BMO, a budget may be rejected by the OC through a resolution of owners within a period of one month from the date that a budget is sent or displayed in accordance with the specified procedures. Besides, pursuant to paragraph 1(2) of Schedule 3 to the BMO, not

less than 5 per cent of the owners may request a general meeting of the OC be convened by the chairman of the management committee for the purposes specified by such owners.

(4) The Competition Ordinance (Cap. 619) (CO) aims to curb harmful anti-competitive conduct. The First Conduct Rule of the CO prohibits any behaviours that prevent, restrict or distort competition in Hong Kong. The Second Conduct Rule of the CO prohibits undertakings with a substantial degree of market power from abusing that power to prevent, restrict or distort competition in Hong Kong which have the object or effect of excluding competitors from the market, thereby limiting choices available to consumers. The two Conduct Rules both regulate behaviours of market participants. When the Competition Commission has reasonable cause to suspect contravention of any Conduct Rule under the CO, it could commence investigation in accordance with the CO. However, whether there is any contravention of the Rules for a specific case is a matter of evidence after investigation.

Besides, owners may replace the manager in accordance with the terms of the Deeds of Mutual Covenant (DMCs). By virtue of paragraph 7 of Schedule 7 to the BMO, where an OC has been formed, owners may terminate a DMC manager's appointment at a general meeting of owners by a resolution passed with the majority of votes and with the support of owners of not less than 50 per cent of the shares in aggregate.

[LCQ4: Improving incomes of grass-roots families and wage earners](#)

Following is a question by the Hon Kingsley Wong and a reply by the Secretary for Labour and Welfare, Mr Chris Sun, in the Legislative Council today (June 21):

Question:

In his important speech delivered on July 1 last year, the President pointed out that efforts should be made to "make sure that all citizens in Hong Kong share more fully and fairly in the fruits of development so that every resident will be convinced that if you work hard, you can improve the life of your own and that of your family". The Chief Executive also emphasised "better serving our people" in the 2022 Policy Address. However, it is learnt that the incomes of grass-roots families and wage earners have been on the low side for a long time. From 2002 to 2021, in terms of the median monthly domestic household income and the median monthly domestic household income of economically active households by decile group, the income increases of 40 per cent of households and 20 per cent of wage earners in the lowest deciles had underperformed inflation. In this connection, will

the Government inform this Council:

(1) how it will implement the instructions of the President and fulfil the policy direction of the Policy Address, and whether key performance indicators will be set for the relevant work, so that the grass-roots and workers can have a greater sense of contentment and happiness;

(2) whether it will adopt "living wage" as the income baseline for government outsourced workers, so that they can make a decent living; and

(3) given that the Minimum Wage Commission is conducting a study on how to enhance the review mechanism for the Statutory Minimum Wage (SMW) level, whether the Government will consider making "living wage" as one of the factors for consideration in determining the SMW level, so that grass-roots workers can lead a dignified life?

Reply:

President,

The Government has been endeavouring to enhance the sense of contentment and happiness of all citizens in Hong Kong, in particular the grass-roots and workers. This is the common goal of all government bureaux for the betterment of livelihood of our citizens. Having consulted the relevant bureaux, including the Financial Services and the Treasury Bureau, the Health Bureau, the Environment and Ecology Bureau, the Culture, Sports and Tourism Bureau and the Housing Bureau, I herewith respond to the question of the Member on behalf of the Government:

(1) To implement the spirit of the important speech delivered by President Xi Jinping on July 1, 2022 and the election manifesto of the Chief Executive (CE), the current-term Government adopts a number of measures benefiting grass-roots under various policy aspects. In the interest of time, I set out the following major measures which illustrate the Government's focus and commitment in this regard:

Housing is the most concerned issue among grass-roots. The Government has been working in full steam to enhance the speed, quantity, efficiency and quality of public housing supply. The Government has identified sufficient land for providing about 360 000 public housing units in the coming 10-year period, i.e. in 2023-24 to 2032-33. With the supply of 30 000 Light Public Housing units in the coming five years, our target is to reduce the Composite Waiting Time for Subsidised Rental Housing to about 4.5 years in 2026-27. We also launched a Cash Allowance Trial Scheme in mid-2021 to relieve the pressure on livelihood of grassroots families who are waiting for public rental housing allocation. A total of around \$3.04 billion in cash allowance has been disbursed to around 87 700 eligible households so far.

From the perspective of medical and health, the Hospital Authority has rolled out measures to improve patient experience by reducing the waiting time for Specialist Out-patient Clinics and introducing a service model for drug collection and delivery. We will also introduce a three-year Chronic

Disease Co-Care Pilot Scheme to subsidise about half of the examination and treatment fees. Another pilot scheme will enable eligible citizens to receive subsidised consultations at the University of Hong Kong-Shenzhen Hospital. The Elderly Healthcare Voucher Scheme will be enhanced to extend the coverage, allow the shared use of vouchers between spouses, and encourage the more effective use of primary healthcare services.

Moreover, the Government will enhance the mental wellness of the community with services targeting the needs of various groups. Measures include making arrangements for students in need to receive professional support at the first opportunity; allocating additional resources to strengthen community psychiatric services and to launch a pilot public-private partnership programme; and setting up a dedicated service centre on a trial basis for ethnic minorities. The Government will increase Chinese Medicine out-patient service quotas, regularise the Integrated Chinese-Western Medicine services, and create the post of the Commissioner for Chinese Medicine Development. We will allow pharmaceutical products registered in the Mainland and relevant places to be registered and sold in Hong Kong upon fulfilment of stringent requirements, thereby diversifying the supply of pharmaceutical products.

In terms of social welfare, the Comprehensive Social Security Assistance (CSSA) Scheme provides a safety net to those who are unable to support themselves for various reasons, whereas the Working Family Allowance (WFA) Scheme and the Old Age Living Allowance (OALA) provides financial support to designated groups. The Government has in recent years relaxed the eligibility for the WFA and increased its rates of allowances twice to benefit some 180 000 persons to date, which included more than 73 000 children. Furthermore, the Government has merged the Normal and Higher OALAs since September 2022, so that eligible elderly persons may receive a higher rate of allowance. At present, nearly three-fourths, i.e. about 1.2 million, elderly persons aged 65 or above are receiving non-contributory cash allowances.

The current-term Government adopts the new strategy of targeted poverty alleviation by directing resources to those most in need. The Commission on Poverty has been restructured to study and identify any other target group for poverty alleviation. The Strive and Rise Programme which focuses on supporting junior secondary school students from underprivileged families, particularly those living in subdivided units, is in good progress since its implementation in October last year. We will enhance and launch the second phase of the Scheme. Meanwhile, the Government is planning to introduce the Community Living Room Project and the School-based After School Care Service Pilot Scheme, and invite the District Services and Community Care Teams in the 18 districts to support singletons, doubletons and households in which all members are elderly persons. Details will be announced in due course.

The Government is committed to enriching citizens' quality of life and enhance environmental hygiene, so that citizens from all walks of life can enjoy better sense of happiness. To respond to the public demand for enhanced environmental hygiene, the Deputy Chief Secretary for Administration has coordinated the efforts of relevant departments to tackle various hygiene black spots in Hong Kong, and the results are well received by the public. We

have committed to removing at least 75 per cent of the environmental hygiene black spots by the end of this year. We will also enhance cityscape in Hong Kong and build a liveable environment. The Leisure and Cultural Services Department offers many quality and leisure and cultural services and programmes, many of which are free. Half-priced or even sponsored free tickets for the museums and some programmes of the West Kowloon Cultural District are offered to CSSA recipients or underprivileged persons.

(2) The Government is committed to protecting the remuneration of outsourced non-skilled workers. As announced in the 2022 Policy Address, the Government conducted a further review on the arrangement relating to the employment of non-skilled workers under government service contracts, including remuneration of the workers and the relevant monitoring mechanism. As reflected in the review findings in the first quarter of this year, the enhanced government procurement regime implemented since April 2019 has been effective. The median hourly wages of non-skilled workers have increased by 49.9 per cent during the 3.5-year period until September 2022, comparing much favourably with the Consumer Price Index (A) which has increased by 5.5 per cent over the same period. The median hourly wage of non-skilled workers, \$55, is also 37.5 per cent higher than the current Statutory Minimum Wage (SMW) of \$40, or 18.8 per cent higher than the market median wage. The new measures put forward upon review have been reported to the Legislative Council Panels concerned in May this year.

(3) The Minimum Wage Ordinance establishes the SMW regime to provide a wage floor which forestalls excessively low wages and minimises the loss of low-paid jobs, without jeopardising Hong Kong's economic growth and competitiveness. The Government has no plan to change the aforesaid policy objective of the SMW or introduce living wage besides the SMW.

Since the implementation of the SMW in May 2011, the employment earnings of grassroots employees have improved. In February-April 2023, the nominal average monthly employment earnings of full-time employees in the lowest decile group had risen cumulatively by 85.1 per cent compared with that of the pre-SMW period, translating into an increase of 31.6 per cent in real terms after discounting the headline Consumer Price Index (A) inflation of the corresponding period.

The CE announced in his 2022 Policy Address that the Minimum Wage Commission (MWC) would be invited to study how to enhance the review mechanism of the SMW. The MWC is conducting the second-stage consultation and will submit the study report to the CE by end-October this year. The Government will carefully consider the MWC's recommendations so as to chart the way forward.

LCQ1: Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone

Following is a question by the Hon Robert Lee and a reply by the Secretary for Financial Services and the Treasury, Mr Christopher Hui, in the Legislative Council today (June 21):

Question:

Recently, the Central Authorities have promulgated the Opinion on Providing Financial Support for the Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, setting out 30 measures on financial reform and innovation (30 financial measures for Qianhai) to support the development of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone (Qianhai Cooperation Zone). In this connection, will the Government inform this Council:

(1) given that the trade is widely concerned about the 30 financial measures for Qianhai, hoping that the relevant policies will bring development opportunities, whether the authorities will launch priority projects and proposals targeting relevant industries or companies in an orderly manner;

(2) as the 30 financial measures for Qianhai involve a number of policy initiatives, how the Government will foster cross-departmental collaboration, co-ordinate the communication and discussion with relevant Mainland departments, and announce the relevant specific implementation details and timetable as soon as possible, so as to facilitate different enterprises to make prior preparations for their development in the Qianhai Cooperation Zone; and

(3) whether the Government will provide incentives to attract more financial and professional services-related enterprises to participate in the relevant development, thereby leveraging Hong Kong's advantages as an international financial centre for fulfilling its role in the internal circulation and external circulation for national development?

Reply:

President,

The Hong Kong Special Administrative Region (HKSAR) Government attaches great importance to the enormous opportunities brought by development of the Guangdong-Hong Kong-Macao Greater Bay Area (GBA) to Hong Kong's financial and professional services sectors. In February this year, the Central financial authorities and the People's Government of Guangdong Province jointly

promulgated the "Opinion on Providing Financial Support for the Comprehensive Deepening Reform and Opening Up of the Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone" (the Opinion), setting out 30 wide-ranging measures on financial reform and innovation. The Opinion demonstrates the great importance and strategic planning accorded by the Central People's Government (CPG) to the GBA development, leveraging Qianhai's deepening reform to support Hong Kong's integration into the national development of the reform and opening up of the financial market. The HKSAR Government will seize the opportunities unleashed in fostering the sustainable development of the sectors concerned.

My reply to the question raised by the Hon Lee is as follows:

(1) and (3) To enhance the financial sector's understanding of the Opinion, I led a Hong Kong financial sector delegation of about 50 people to attend a Shenzhen-Hong Kong liaison event held in Qianhai on May 18, 2023 for the government departments, regulators and industry players of the two places to exchange views and liaise with one another. The event was jointly organised by the Financial Services and the Treasury Bureau and the Qianhai Authority. On top of representatives from the Government and financial regulators, representatives from various banks, securities, insurance and funds companies as well as industry associations and organisations of the financial sector also joined.

We are taking forward the relevant work of the Opinion along five directions:

The first is prioritising financial services relating to people's livelihood. With the development of the GBA, there has been growing demand for convenient and seamless financial services by residents in Guangdong, Hong Kong and Macao. The Opinion prioritises financial innovation relating to people's livelihood, with many measures in line with the policy directions that we have been proceeding with, including facilitating Hong Kong residents to open Mainland bank accounts, expediting the establishment of insurance after-sales service centre in Qianhai, facilitating Hong Kong residents to use mobile e-payment tools in Qianhai, etc.

The second is highlighting Hong Kong's function as a premier fund-raising platform. The Opinion supports Qianhai enterprises to make use of Hong Kong's platform in accordance with the law (e.g. setting up open-ended fund companies and limited partnership funds) for raising funds and expanding overseas businesses, as well as REITs for listing and financing quality real estates and infrastructure projects in Hong Kong. The Qianhai Authority will provide a number of incentives, e.g. a one-off reward of RMB2 million to Qianhai venture capital institutions listed on the Stock Exchange of Hong Kong (HKEX), to encourage Qianhai institutions to expand financing channels in Hong Kong's capital markets. The Opinion also supports Qianhai enterprises to issue green bonds and obtain green financing from banks in Hong Kong, fully demonstrating Hong Kong's niche as a green financing platform channelling international capital to support the sustainable development of our country.

The third is giving full play to Hong Kong's function as an offshore Renminbi (RMB) business hub. The Opinion supports Qianhai banks and enterprises to issue RMB-denominated securities products in Hong Kong, and the HKEX's Qianhai Mercantile Exchange to develop cross-boundary trading of physical commodities with clearing and settlement denominated in RMB.

The fourth is encouraging co-operation between financial institutions in Shenzhen and Hong Kong. The Opinion supports fund firms in Qianhai to actively participate in ETF cross-listing and Mainland-Hong Kong mutual recognition of funds. It at the same time explores lowering the entry requirement for Hong Kong investors in equity investment, and expanding the business coverage of Hong Kong's financial institutions in Qianhai. This will benefit banks, securities firms, insurance institutions, asset management institutions, private equity funds, etc.

The fifth is focusing on the development of characteristic financial industries. The Opinion highlights promoting the development of green finance and Fintech. The HKSAR government's policy direction of developing Hong Kong into an international centre of green technology and green finance is in line with this. Measures include encouraging green finance talent exchange between the two places; exploring mutually recognised and unified environmental disclosure standards for financial institutions; and strengthening collaboration between Qianhai's Fintech supervisory tool and HKMA's Fintech Supervisory Sandbox, etc. In addition, we have earmarked \$12 million for implementing a Fintech internship scheme for post-secondary students in 2023-24, with a view to facilitating students studying in Fintech related subjects in Hong Kong and the GBA to acquire practical work experience in Fintech enterprises in the two places, thus equipping them early with relevant knowledge in pursuing a career in Fintech.

(2) There has been close financial co-operation between Shenzhen and Hong Kong. We have established a task force with the Shenzhen Municipal People's Government on promoting mutual access between the financial markets of the two places to jointly take forward various financial co-operation initiatives. In March this year, we signed the "Agreement on Enhancing Hong Kong-Guangdong Financial Co-operation" with the Guangdong Financial Supervisory Authority after the Plenary of the Hong Kong/Guangdong Co-operation Joint Conference. The Agreement covers the active promotion of the development of finance in the Qianhai Cooperation Zone, including facilitating Hong Kong residents to open Mainland bank accounts, and expanding the room for development for Hong Kong's financial sector in the Qianhai Cooperation Zone. Premising on this good foundation, we and the financial regulators will continue to strengthen the collaboration and communication with Shenzhen based on the directions set out in the Opinion. We and the financial regulators will announce the implementation details of the policy measures concerned as soon as they are ready. Thank you President.

LCQ7: Protecting the safety of swimmers in private swimming pools

Following is a question by the Hon Chau Siu-chung and a written reply by the Secretary for Environment and Ecology, Mr Tse Chin-wan, in the Legislative Council today (June 21):

Question:

In accordance with the Swimming Pools Regulation (Cap. 132CA), any artificially constructed pool used for swimming or bathing and to which the public have access or which is operated by any club, institution, association or other organisation, is required to obtain a swimming pool licence from the Food and Environmental Hygiene Department (FEHD). Regarding protecting the safety of swimmers in private swimming pools, will the Government inform this Council:

(1) of the numbers of private swimming pools (i) with a swimming pool licence, (ii) for which a new application for a swimming pool licence was made, and (iii) for which a renewal application for a swimming pool licence was made, in each of the past 10 years, with a tabulated breakdown by District Council district;

(2) the respective numbers of licensed swimming pools which, in accordance with the licensing conditions for the swimming pool licence, shall have not less than (i) two, (ii) three, (iii) four, (iv) five, (v) six, (vi) seven and (vii) eight qualified lifeguards in attendance at all times during which the pools are open to swimmers;

(3) of the numbers of (i) inspections conducted by FEHD on private swimming pools with a swimming pool licence and (ii) accidents reported by such pools to FEHD, in each of the past 10 years; and

(4) whether it knows (i) the respective numbers of Pool Lifeguard Awards and Beach Lifeguard Awards issued by the Hong Kong Life Saving Society (HKLSS) in each of the past 10 years, as well as (ii) the respective numbers of persons currently in possession of valid Pool Lifeguard Awards, Beach Lifeguard Awards and other more advanced life saving awards issued by HKLSS?

Reply:

President,

In consultation with the Leisure and Cultural Services Department (LCSD), our reply to the various parts of the question raised by the Hon Chau Siu-chung is as follows:

(1) According to the Swimming Pools Regulation (Cap. 132CA) (the Regulation),

any artificially constructed pool used for swimming and to which the public have access (whether on payment or otherwise) or which is operated by any club, institution, association or other organisation needs to apply for a swimming pool licence from the Food and Environmental Hygiene Department (FEHD), except swimming pools which serve not more than 20 residential units and to which the public have no access. In general, a swimming pool licence is valid for one year. Licensees may apply for renewal on or before the expiry date of the licence. The numbers of private swimming pools with a swimming pool licence, for which a new licence was applied and for which the licence was renewed in the past 10 years, with a breakdown by District Council district, are at Annexes 1 to 3 respectively.

(2) In general, the licensee of a swimming pool shall, at all times during which the pool is open to swimmers, deploy to the pool not less than two lifeguards with valid certificates of competency in life saving and first aid, unless modification to the requirement is approved by the licensing authority. When processing applications for a swimming pool licence, the FEHD will make specific requirements for the number of lifeguards having regard to the actual situation of the swimming pool, such as the number of and size of the swimming pools. The number of qualified lifeguards required to be present at licensed swimming pools as of April 30, 2023, is at Annex 4.

(3) The FEHD regulates licensed swimming pools through routine inspections and complaints handling, with a view to ensuring that the swimming pools are in compliance with public health and safety requirements. Monthly inspection is conducted by FEHD officers when the licensed swimming pool is open to swimmers for checking whether licensees have complied with the Regulation and licensing conditions, which includes ensuring that the equipment and water quality of the swimming pool have met the prescribed standards, and that a sufficient number of qualified lifeguards are on duty during the opening hours of the pool etc. The inspection frequencies may be increased if necessary. During inspection, if a licensed swimming pool is found in breach of the Regulation or the licensing conditions, warning will be issued or prosecution will be instituted immediately against the licensee depending on the actual circumstances. If the licensee repeatedly violates the Regulation/licensing conditions or fails to rectify the irregularities within the specified time, the FEHD will consider suspending or cancelling the licence. The number of inspections conducted by the FEHD in each of the past 10 years is at Annex 5.

In the event that an accident occurs at the swimming pool, the person-in-charge of the venue should report it to the Police immediately. At present, there is no requirement under the private swimming pool licence that the licensee has to report to the licensing authority any accident at the swimming pool. The FEHD does not maintain the relevant statistics and is actively looking into formulating relevant requirements.

(4) Lifeguards attending at licensed private swimming pool must be a holder of the pool lifeguard award (PLA) of the Hong Kong Life Saving Society (HKLSS). According to the information provided by the LCSD, the PLA and beach lifeguard award (BLA) issued by the HKLSS shall be valid for 36 months and,

if the revalidation examination is passed six months before the expiry of the PLA/BLA, effective for another 36 months after the expiry date. The numbers of PLA and BLA issued by the society, including both new and revalidated ones, in the past 10 years are at Annex 6. The numbers of holders of awards at more advanced levels than the PLA and BLA are at Annex 7.