

LCQ7: Regulation of various professions and industries

Following is a question by the Hon Howard Young and a written reply by the Secretary for Home Affairs, Dr Patrick Ho, in the Legislative Council today (November 22):

Question :

It has recently been suggested that the Travel Industry Council of Hong Kong (TICHK) be dissolved and replaced by a statutory body for more effective regulation of the travel industry. In this connection, will the Government inform this Council of the industries the conduct within which is currently monitored only by the trade associations concerned and those whose monitoring work is undertaken by statutory bodies; and how these two modes of monitoring compare to the current practice of TICHK?

Reply :

Madam President,

A number of professions and industries in Hong Kong are self-regulated through their own professional or trade associations. These include, for example, the legal profession which is regulated by the Hong Kong Bar Association, The Law Society of Hong Kong and the Hong Kong Society of Notaries; in the case of real estate developers, The Real Estate Developers Association of Hong Kong; and in the case of local newspapers, the Hong Kong Press Council. Depending on the profession and the trade concerned, the modes of regulation and monitor differ widely -- from professional bodies having authority for registration and issue of licences for practice, with established codes of conduct and formal procedures for discipline to a non-compulsory association of members subscribing to a set of agreed guidelines on practices. Given the freedom for the establishment of trade associations and the diversity of their roles in self-regulation of the industries concerned, we do not have a complete list of the industries the conduct within which is currently monitored only by the trade associations in the industries concerned.

As regards those industries or professions whose monitoring work is undertaken by statutory regulatory bodies, a list of the industries/professions is at Annex. In general, the statutory bodies concerned are empowered by the relevant ordinances to issue licences which permit the holders to practise in the trade or profession concerned, to issue codes

of practice to regulate the conduct of the licensees, to receive and investigate into complaints, as well as to take disciplinary actions, where appropriate, against breaches of licence conditions and codes of practice.

According to the Secretary for Economic Development and Labour, the operation of the Travel Industry Council of Hong Kong (TIC) is as follows:

Under the Travel Agents Ordinance (Cap. 218), all travel agents in Hong Kong must first become a member of the Travel Industry Council of Hong Kong (TIC) before they are eligible for licensing. The TIC is responsible for regulating the daily operation of travel agents through the issue of code of conduct/business practice and directives, etc. A committee has been set up to take disciplinary actions against members' non-compliance. To ensure that the committee's deliberations are fair and objective, half of the committee members are independent non-trade members. In order to expedite the processing of non-compliance cases concerning Mainland tour groups, the TIC Board of Directors has decided to establish a new committee specially tasked to consider and take disciplinary actions against such cases. The committee will be chaired by a non-trade Independent Director of the TIC, and have a majority of non-trade independent members.

The TIC is empowered by its Memorandum and Articles of Association to take disciplinary actions against the non-compliance of its member travel agents. Such actions include warning letter, fine, suspension and termination of membership which may lead to the revocation of a travel agent's licence by the Travel Agents Registry. The TIC has set up an Appeal Board to consider appeals from member travel agents, with membership drawn from an Appeal Panel consisting of ten independent non-trade members appointed by the Secretary for Economic Development and Labour. When an appeal is lodged, the Appeal Board, comprising five members, will meet to consider the appeal. Three of them including the chairman of the Appeal Board will be drawn from the independent non-trade members of the Appeal Panel. The remaining two will be TIC Board directors.

Given the differences in the nature of trade and the diversity in the functions of the trade associations concerned, it is not practicable to compare the modes of operation and monitoring between the TIC and other trade associations or statutory regulatory bodies.

Ends/Wednesday, November 22, 2006