



Travel Industry Authority

Summary of the Trade Consultation on the Implementation Details of the New Regulatory Regime of the Travel Industry

Travel Industry Authority

April 2022

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Summary

1. The Travel Industry Authority (the Authority) conducted a trade consultation from 9 February to 5 April 2022 on the proposed implementation details of the new regulatory regime, including the subsidiary legislation to be made under the Travel Industry Ordinary (Cap. 634) (the Ordinance), the *Directives for Licensees*, the requirements for application for the issue and renewal of licences. This document sets out the views collected during the consultation and the responses of the Authority in relation to those views.

2. During the consultation period, the Authority held a total of 22 online seminars which were attended by and 53 organizations and 610 participants, with views expressed or enquiries made in the seminars by more than 130 participants. In addition, the Authority received 97 sets of written comments and telephone enquiries. Overall, the travel industry was positive about the proposed implementation details of the new regulatory regime and expressed a general wish that the new regime be implemented soon with a smooth transition.

3. A summary of the views collected through the consultation and the responses of the Authority in relation to those views are set out in the following five chapters:

- Chapter 1: Details to be Implemented Through Making of Subsidiary Legislation
- Chapter 2: Courses, Examinations and Continuing Professional Development
- Chapter 3: *Directives for Licensees*
- Chapter 4: Administrative Scheme for Registered Shops for Inbound Tour Groups
- Chapter 5: Other Views

4. The consultation document has been uploaded to the website of the Authority (<https://tia.org.hk/en/consultation2022>). All relevant Hong Kong legislation can be browsed through or downloaded from the website of the Hong Kong e-Legislation (www.elegislation.gov.hk).

Chapter 1 Details to be Implemented Through Making of Subsidiary Legislation

1.1 In accordance with the requirements in the Ordinance, certain implementation details of the new regulatory regime must be set out in subsidiary legislation made by this Authority. After considering the nature and substance of the relevant requirements and the circumstances of the travel industry, the Authority proposes making the following four pieces of subsidiary legislation:

- (a) Travel Industry (Collection, Payment and Recording of Levies) Regulation;
- (b) Travel Industry Compensation Fund (Amount of Ex gratia Payments) Regulation;
- (c) Travel Industry Compensation Fund (Procedure for Ex gratia Payments) Regulation; and
- (d) Travel Industry (General) Regulation.

1.2 The proposed arrangements in relation to the above four pieces of subsidiary legislation are set out in detail in Chapters 3 to 6 of the consultation document¹, and the relevant draft provisions are in Appendices II to V to that document.

1.3 Overall, the travel industry was positive about and supported the contents of the subsidiary legislation proposed by the Authority. The key views collected are set out in paragraphs 1.4 to 1.14 below.

¹ The consultation document is available at https://tia.org.hk/assets/files/pdf/Consultation_Paper_en.pdf.

Fee arrangements

1.4 Regarding licence fees of travel agents:

- (a) Views received: It is hoped that the Authority will adopt the Government's waiver and continue to waive the licence fees of travel agents.
- (b) *The Authority's response: The Government proposed in the 2022–23 Budget that the waivers / concessions of the existing 34 groups of government fees and charges be extended for one year, which included the extension of the waiver starting from 1 October 2022 of the fees charged under the Travel Agents Ordinance (Cap. 218) for the issue for the first time and renewal of a licence, the issue of a duplicate of a licence and the amendment of the licence because of an additional address. Since the travel industry is still affected by COVID-19, the Authority intends to continue the waiver of fees announced in the Budget, namely that the relevant waiver of licence-related fees will be extended until 30 September 2023 so that travel agents may continue to be eligible for the waiver under the new regime.*

1.5 Regarding licence fees of tourist guides and tour escorts:

- (a) Views received: Apart from travel agents, COVID-19 has also seriously affected the livelihoods of tourist guides and tour escorts. It is suggested that the Authority should waive the licence fees of tourist guides and tour escorts.
- (b) *The Authority's response: To encourage more qualified trade practitioners to apply for or retain existing professional qualifications in order that they may provide services for the industry after COVID-19, the Authority proposes, after taking*

over from the Travel Industry Council of Hong Kong (the TIC) the task of issuing and renewing licences for tourist guides and tour escorts, offering a waiver in relation to first-time applications for tourist guide licences and tour escort licences and applications for the renewal of licences for a period of three years (namely from 1 September 2022 to 31 August 2025). Since the validity of tourist guide licences and tour escort licences is generally of three years, each tourist guide or tour escort is entitled to the waiver of the application fee for either the issue or renewal of a licence once.

1.6 Regarding the amount of and payment arrangements for the registration fee for each Mainland inbound tour group, the Authority proposes that travel agents must pay \$4 per participant of such tour groups:

- (a) Views received: The proposed registration fee is on the high side.
- (b) *The Authority's response: In setting the amount of the proposed registration fee, consideration of the following factors has already been taken into account: potential change to the operation of Mainland inbound tour group after the COVID-19 epidemic, the expenses incurred by the TIC in regulating Mainland inbound tour groups, as well as information such as the average number of participants of such tour groups in the past.*

Licence conditions concerning requirements of statements of accounts

1.7 The Authority proposes prescribing licence conditions through the making of subsidiary legislation, one of which is that travel agents must submit within seven months after the end of each financial year the statement of accounts

in respect of the relevant financial year together with an auditor's report for that financial year:

- (a) Views received: Audits may be delayed if there are exceptional circumstances such as epidemics; seven months may not be enough for inter-regional travel agents to prepare statements of accounts and obtain auditors' reports that meet the requirements of the Authority. There are opposing views that the period should be shortened.
- (b) *The Authority's response: When proposing the seven-month period, the Authority has taken account of the experience of the Travel Agents Registry (the Registry) in handling the renewal of licences. Given the efficacy of the existing requirement, the Authority finds it undesirable to relax or tighten it. Regarding the concerns of individual inter-regional travel agents, the Authority will consider the actual situations after implementation and study the specific requirements for the submission of statements of accounts and auditors' reports.*

1.8 Requirements for the submission of statements of accounts to the Authority by inter-regional travel agents:

- (a) Views received: Although inter-regional travel agents may intend to or have already set up subsidiaries in Hong Kong to apply for travel agent licences, they may not prepare separate statements of accounts for their subsidiaries, with the result that these subsidiaries may have difficulty submitting separate statements of accounts to the Authority. In addition, as some inter-regional travel agents are based in places outside Hong Kong, and the holding companies will only prepare consolidated statements of accounts that meet the requirements of those places; flexibility is thus expected of the Authority.

- (b) *The Authority's response: Licensed travel agents are required to submit their statements of accounts and auditors' reports, rather than the statements of accounts and auditors' reports of their holding companies or groups. As for some inter-regional travel agents not having separate statements of accounts for their subsidiaries, the Authority will continue to discuss with inter-regional travel agents and consider all viable proposals. Regarding the accounting standards of statements of accounts, if the accounting standards of those countries or regions do not deviate significantly from the International Financial Reporting Standards (IFRS), the Authority will study whether the relevant travel agents may be required to submit, apart from their consolidated statements of accounts, a statement of adjustments which sets out the financial influences brought about by significant differences between their statements of accounts and those prepared in accordance with the Hong Kong Financial Reporting Standards (HKFRS) or IFRS.*

Licence conditions targeting coerced shopping

1.9 Regarding the regulation of misconduct (especially coerced shopping) in relation to inbound tour groups, the Authority proposes prescribing conditions to be imposed on the licences of travel agents and tourist guides through the making of subsidiary legislation, including requiring travel agents and tourist guides to take all reasonable steps to ensure that the participants of inbound tour groups are not subject to coerced shopping:

- (a) Views received: The Authority should provide guidelines on what reasonable steps licensees are expected to take, publish the violation records of licensees related to coerced shopping and define "harassment" contained in the definition of "coerced shopping".

- (b) *The Authority's response: The Authority will provide guidelines on what reasonable steps must be taken through its website and the courses for authorized representatives, tourist guides and tour escorts. As regards the arrangements for the publication of records contravention by licensees, the Authority will study and announce those arrangements in due course. As for the word "harassment", the Trade Descriptions Ordinance also uses the word, without providing a definition, in regulating aggressive commercial practices. The Authority considers that there is no need to define the term at the moment in order to allow flexibility in enforcement, and will, depending on actual operation, issue guidelines to the industry.*

General requirements to be imposed on licensed travel agents

1.10 The Authority proposes prescribing general requirements through the making of subsidiary legislation, including requiring travel agents to state clearly in any advertisement published by them their name and business name (if applicable) and their licence number:

- (a) Views received: It may be difficult for online advertisements to contain all the required information.
- (b) *The Authority's response: There are similar requirements under the Estate Agents Ordinance and the Property Management Services Ordinance and, with current enabling technologies, the Authority considers that travel agents should be able to meet those requirements. The Authority will closely monitor the situation.*

Informing the Authority of changes in certain particulars

1.11 The Authority proposes prescribing licence conditions through the making of subsidiary legislation, one of which is that travel agents must inform the Authority in writing not less than 14 days prior to their ceasing to carry on business:

- (a) Views received: 14 days may not be long enough to protect consumers, and therefore the period should be extended to not less than one month and further extended to a period of more than one month depending on the size of the travel agents; the notification period for big travel agents should be longer than that for small travel agents.
- (b) *The Authority's response: Under the existing regulatory regime, travel agents are required to notify the Registrar of Travel Agents in writing prior to their ceasing to carry on business, but the notification period is not prescribed. Since the notification periods relating to other situations under the Ordinance are mostly 14 days (for example, if a licensed travel agent becomes aware of the fact that the authorized representative of the travel agent dies or becomes incapable of acting, the travel agent must within 14 days apply to the Authority for approval of another individual as the travel agent's authorized representative), the Authority proposes that the notification period concerned is also set at 14 days for easy handling and enforcement. As for the suggestion that the length of the notification period should be subject to the size of travel agents, the Authority considers it too complicated and without objective criteria.*

Expedited way for dealing with minor contraventions by licensees

1.12 The Authority proposes formulating procedures to deal in an expedited way with cases in which the contraventions are minor in nature:

- (a) Views received: “Minor contravention” should be defined; and licensees who have committed minor contraventions repeatedly should be subject to heavier disciplinary action.
- (b) *The Authority’s response:*
 - (i) *The Authority will define “minor contravention” as contraventions which are technical in nature, which do not involve professional misconduct and integrity, which do not affect the reputation of the travel industry or Hong Kong, which do not cause losses or cause very small losses to customers, and which do not breach fiduciary duties.*
 - (ii) *The gravity of repeat contravention will be reflected in sentencing.*

Levies and ex gratia payments

1.13 The Authority proposes maintaining the existing arrangements for ex gratia payments under the Travel Industry Compensation Fund (Compensation Fund), namely that an outbound traveller may be paid an ex gratia payment equivalent to 90% of the loss of the outbound fare and be reimbursed a total amount of HK\$300,000 as an ex gratia payment in case of an injury or death

caused by an accident during an outbound activity provided or organized by a licensed travel agent:

- (a) Views received: There were views that the levels of ex gratia payments should be reviewed and raised in due course; there were also views that the existing levels are sufficient.
- (b) *The Authority's response: The Authority will closely monitor the situation and conduct a review where necessary, with priority given to the sustainability of the Compensation Fund.*

1.14 Regarding section 7 of the Travel Industry Compensation Fund (Amount of Ex gratia Payments) Regulation (the Amount Regulation), which concerns the scope of application of ex gratia payments in relation to an accident:

- (a) Views received: The word “activity” mentioned in section 7 of the Amount Regulation should be defined in order to indicate, for example, whether a self-paid activity and an activity during free time, etc. of an outbound package tour are regarded as an activity under that section.
- (b) *The Authority's response: Pursuant to section 7 of the Amount Regulation, ex gratia payments in respect of an accident cover losses suffered in respect of the accident which arises out of and in the course of an outbound travel service, etc. and which arises out of and in the course of an activity provided or organized by the licensed travel agent concerned. And pursuant to section 138(1) of the Ordinance, one of the conditions as to whether a service is an outbound travel service is that it is constituted by services or arrangements decided in advance of being made available to the public. As such, whether a self-paid activity and an activity during the free time, etc. of an outbound package tour are regarded as an activity under section 7 of the Amount Regulation depends on whether any such activity meets*

the meaning of the relevant sections of the Ordinance and the Amount Regulation, and no simple conclusion can be drawn.

Chapter 2 Courses, Examinations and Continuing Professional Development

2.1 Pursuant to the requirements of the Ordinance, the Authority may only issue and renew travel agent licences (and business permits), tourist guide licences and tour escort licences under specified circumstances. Under the new regulatory regime, the Authority's proposed arrangements for the courses, examinations and continuing professional development (CPD) schemes relating to the issue and renewal of licences are set out in Chapter 7 of the consultation document.

2.2 The travel industry was positive about the relevant proposed arrangements, including supporting the requirements for tourist guides and tour escorts to hold a valid certificate of competency in first aid or another similar certificate, and for tour escorts having to complete the CPD scheme for licence renewal, etc.

“Authorized representative” of travel agent completing courses specified by the Authority

2.3 Regarding course contents and recognition:

- (a) Views received: The courses should make reference to the Units of Competency (UoCs) in the Specification of Competency Standards (SCS) for the Travel Industry under the Qualifications Framework (QF), have assessments incorporated into them and be recognized under the QF in order to enhance their recognition.
- (b) *The Authority's response: The Authority will study whether the courses will include assessments, make reference to the SCS for the Travel Industry and obtain recognition under the QF in the future.*

2.4 Regarding the duties of an authorized representative:

- (a) Quite a number of enquiries about the duties of authorized representatives were received during the consultation.
- (b) *The Authority's response: The Authority plans to organize courses for authorized representatives in the second quarter of this year, which will explain, with illustrative examples, the duties of authorized representatives as set out in section 27 of the Ordinance.*

Certificate of competency in first aid, or another similar certificate, issued by institutions specified by Authority

2.5 Regarding the scope of courses:

- (a) Views received: The courses should only cover general knowledge of first aid as it may not be in the interests of travellers if tour escorts and tourist guides, not being medical professionals, are to administer first aid, which may also increase the pressure on tour escorts and tourist guides. The Hong Kong Council for Accreditation of Academic and Vocational Qualifications (HKCAAVQ) may be asked to assess the courses.
- (b) *The Authority's response: Course requirements will be determined with reference to the views.*

2.6 Regarding recognition of courses already completed:

- (a) Views received: If only those courses completed within two years before the implementation of the new regime are recognized, such a period is too short.

- (b) *The Authority's response: According to the requirements of the TIC, those who apply for the tourist guide pass or tour escort pass must obtain an attendance certificate of first aid obtained within two years before the application, and medical professionals who have retired for not more than two years may apply for exemption of obtaining an attendance certificate or certificate of first aid. It is therefore proposed that the two-year limit as required by the TIC be adopted for a smooth transition.*

Specified pre-examination training courses

2.7 Regarding the contents and outline of courses:

- (a) Views received: When revising the contents and outline of the specified pre-examination training courses in the future, the Authority should invite major stakeholders in the industry to participate in discussions and request course providers to design courses based on the core competencies of tourist guides and tour escorts in the SCS for the Travel Industry with the long-term goal of obtaining QF recognition.
- (b) *The Authority's response: Apart from making reference to the SCS when revising the contents and outline of the specified courses, the Authority will also proactively invite major stakeholders in the industry and course providers to take part in the discussions in order to ensure the design of the pre-examination training courses can effectively train the professionals required by the industry.*

2.8 Regarding course recognition:

- (a) Views received: The Authority should compare the contents of those training courses of the TIC which are specified by the Authority as pre-examination training courses with the core

competencies of tourist guides and tour escorts in the SCS for the Travel Industry in order to ascertain that those courses cover the core competencies concerned. In the future, the courses may be submitted to HKCAAVQ for assessment to obtain recognition under the QF. If the course participants have passed the assessment(s) included in the courses, they should be regarded as meeting the requirement of having completed the training courses and licensing examinations specified by the Authority.

- (b) *The Authority's response: The Authority will study the feasibility of these suggestions and take a step-by-step approach to supporting and encouraging the industry to adopt the QF.*

Specified licensing examinations of tourist guides and tour escorts

2.9 Regarding recognition of passing the relevant examinations and transitional arrangements:

- (a) Views received: It was hoped that the Authority will proceed with the arrangements on time to ensure smooth transition; the two-year period during which tourist guides or tour escorts are exempted from the examinations or training courses is too short.
- (b) *The Authority's response: The Authority will maintain close communication with the TIC to ensure a smooth handover; the two-year exemption period is adopted from the same exemption arrangement under the relevant accreditation systems currently implemented by the TIC.*

2.10 Regarding examination outline:

- (a) Views received: The Authority should invite major stakeholders in the industry to participate in discussions when devising the

outline of the examinations, and make reference to the core UoCs of tourist guides and tour escorts in the SCS for the Travel Industry when designing the examinations; the required examinations should be so designed as to correspond to the intended learning outcomes of the pre-examination training courses; meanwhile, the assessment of the pre-examination training courses should be appropriately dovetailed with the aim, mode and design of the examination.

- (b) *The Authority's response: The Authority will proactively invite stakeholders in the industry and course providers to take part in discussions in order that the overall design of the assessment can effectively and coherently assess the knowledge and skills required of tourist guides and tour escorts.*

2.11 Regarding the organising of examinations:

- (a) Views received: The Authority should actively consider appointing a single operator which is impartial and credible as the examiner of the specified licensing examinations to maintain the quality and consistency of assessment and to avoid discrepancies arising from different examiners having adopted different assessment criteria and standards.
- (b) *The Authority's response: The view will be considered.*

Continuing Professional Development Schemes

2.12 Regarding the contents of the CPD schemes:

- (a) Views received: Courses commonly recognized under both the CPD schemes for tourist guides and tour escorts should be developed. The total number of hours required under the CPD schemes should not be more than 15 annually. Courses related

to the scope of work of tourist guides and tour escorts (such as those about attractions, insurance, ecological and legal knowledge, professional ethics, etc.) should be recognized as “Self-selected Courses” under the CPD schemes.

- (b) *The Authority’s response: The Authority will make reference to the scope of work of tourist guides and tour escorts in the SCS for the Travel Industry, consider whether to include the suggested courses in the curriculum of the CPD schemes, and further study the arrangements for the CPD schemes for licensed tourist guides and tour escorts.*

2.13 Regarding the quality of courses:

- (a) Views received: The quality of the contents of existing training courses and instructors varied; assessors disguised as course participants should be arranged to monitor the quality of classes.
- (b) *The Authority’s response: A course quality assurance mechanism will be devised; approved courses must strictly follow the requirements for the course contents, trainers’ qualifications and teaching and learning environment of the courses.*

2.14 Regarding course development:

- (a) Views received: When holding discussions with the industry and course providers about CPD schemes that meet the actual needs of tourist guides or tour escorts, the Authority should, in addition to making reference to the UoCs in the SCS for the Travel Industry, consider incorporating assessments into the training courses, with a view to having the courses become QF-recognized in the long run.

- (b) *The Authority's response: The Authority will study the views, make reference to the SCS for the Travel Industry and gradually encourage course providers that offer courses to seek QF recognition.*

Chapter 3 *Directives for Licensees*

3.1 The Authority may issue the *Directives for Licensees* (the *Directives*) through administrative measures in order to regulate licensees and deter and combat malpractices of the travel industry. When formulating the *Directives*, the Authority makes reference to the requirements currently enforced by the TIC and takes account of the Government's recommendations put forward to the Bills Committee on Travel Industry Bill of the Legislative Council and the actual situation of the industry.

3.2 On the whole, the views about the *Directives* received by the Authority during the consultation period generally supported the proposed directives, of which the essential ones are set out in paragraphs 3.3 to 3.17 below (excluding enquiries to which the Authority had already responded).

Relationship between travel agents, and tourist guides and tour escorts

3.3 The Authority proposes that travel agents must not require tour escorts / tourist guides to unreasonably advance any payment or delay the reimbursement of any advanced payment; and must enter into a service agreement, in which the payment of service remunerations is specified, with tourist guides / tour escorts; and provide each tourist guide / tour escort with a duty list:

- (a) Views received: The Authority should prohibit travel agents from requesting tourist guides or tour escorts to advance any payment, require travel agents to reimburse the advanced payments within specified periods and step up the promotion of the prohibition of requiring unreasonable advance payment. Although the Authority proposes issuing a directive governing advance payment, tourist guides may not report to the Authority for fear of losing their job. Travel agents should be required to clearly specify the tourist guide service fee that tourists are

supposed to pay, pay part of the fee to the tourist guides in advance and settle the remaining amount of the fee within five to seven days after completion of the tour.

- (b) *The Authority's response: The Authority's proposals already include extending the TIC's requirements concerning advance payment and service agreements between travel agents and tourist guides to tour escorts, and adding new directives requiring travel agents to provide each tourist guide or tour escort with a duty list. These measures seek to strike a balance between the protection of tourist guides and tour escorts and the autonomy and flexibility of travel agents in conducting its business. After these requirements are put in place, the Authority will step up promotion and education efforts, and pay close attention to the opinions of the trade so as to refine the relevant requirements when necessary. The Authority will also provide the trade with samples of the service agreements and duty lists for reference.*

3.4 The Authority proposes that a receipt / invoice issued by a licensed travel agent to an outbound traveller must contain specified details:

- (a) Views received: Specified details such as the flight number, details of each hotel, etc. included in the invoice / receipt will make the information on the invoice / receipt unduly complicated.
- (b) *The Authority's response: Receipts or invoices issued by travel agents to customers must contain the details of essential information to protect the interests of both the travel agents and the consumers.*

3.5 The Authority proposes linking the number of days of the notice period for notifying customers of the cancellation of an outbound package tour not for

reasons beyond control with the number of days of the tour in such a way that the notice period is one day if a travel agent cancels an outbound tour that lasts for three days or less; seven days for cancelling an outbound tour that lasts for four to nine days; and 14 days for cancelling an outbound tour that lasts for 10 days or more:

(a) Views received:

- (i) Linking the number of days of the notice period for the cancellation of an outbound package tour with the number of days of the tour provides greater protection for travellers. However, there was a different view that the practice of linking the number of days of the notice period with the destination of the tour, as required by the TIC, should continue to be used;
- (ii) The notice period is a little too short and it was suggested that the notice period for cancelling an outbound package tour that lasts for three days or less should be changed from one to two days; that of cancelling an outbound package tour that lasts for 10 days or more should be extended to more than 14 days because it is more difficult to find substitutes for long-haul package tours;
- (iii) Reference should be made to the regulations of the European Union (EU) and the United Kingdom (UK), that is, the notice period for cancelling a package tour that lasts for two days or less is 48 hours; that for cancelling a package tour that lasts for two to six days is seven days; that for cancelling a package tour that lasts for six days or more is 20 days.

- (b) *The Authority's response:*
- (i) *The Authority's proposal to link the number of days of the notice period for the cancellation of an outbound package tour with the number of days of the tour has fully taken account of the views of traders and non-traders, and is simple and clear, with minor differences from the current regulations. It is believed that the industry will not find it difficult to adapt to the relevant changes;*
 - (ii) *The UK and the EU have adopted the same method to determine the length of the notice period for the cancellation of package tours;*
 - (iii) *Since some outbound package tours travel to more than one country or region, or even to places on two continents, there is no simple and convenient way to determine the length of the notice period by referring to the destinations of an outbound package tour;*
 - (iv) *After the implementation of the directives, the Authority will pay close attention to the opinions of the industry and consumers so as to modify the directives in a timely manner when necessary.*

3.6 The *Directives* to be issued by the Authority does not specifically require that travel agents must inform their customers of the reason(s) for the cancellation of outbound package tours:

- (a) Views received: Travel agents should clearly inform their customers of the reason(s) for the cancellation of outbound package tours. If the reason for the cancellation is that the number of people who have signed up for the tour is less than the minimum number of required tour participants, that

minimum number should be clearly specified in the advertisements or receipts.

- (b) *The Authority's response: To maintain a good relationship with customers, travel agents usually inform customers of the reasons for the cancellation of outbound package tours, which is why the Authority has no plan to issue directives in this regard at present, but will closely monitor the situation.*

3.7 The Authority proposes that travel agents who cancel outbound package tours must refund the monies within seven working days or make refund applications to the card-issuing institutions for payments made by credit cards:

- (a) Views received: how should a travel agent arrange for refunds if a bank or airline fails to refund it on time.
- (b) *The Authority's response: A refund agreement between an airline and a travel agent is a business decision made by the parties and has nothing to do with the consumers. Despite such agreements, travel agents are required to process refunds for their customers in accordance with the Directives' requirements.*

3.8 The Authority proposes following the TIC's regulatory principles to require that if a travel agent (retailer) has dealt directly with a customer who has fully paid for an air ticket, the retailer and the supplier(s) providing the ticket to the retailer (if both are licensed travel agents) must not unilaterally cancel the booking of the seat, cause the ticket to be void, apply for a ticket refund, etc.:

- (a) Views received: If a retailer fails to pay its supplier in full on time, the supplier should be allowed to cancel an air ticket unilaterally because the supplier only has a contractual relationship with the retailer, and as such should be allowed to cancel the ticket provided to the retailer who has not paid the

supplier for the ticket. The Authority should not interfere with the contract between the parties.

(b) *The Authority's response:*

(i) *If consumers have paid the full amount of air tickets and the air tickets may still be cancelled, that will not only seriously damage the rights of consumers, but may also cause consumers to lose confidence in travel agents and greatly harm the overall reputation of the industry;*

(ii) *When dealing with retailers, suppliers should carefully weigh the transaction risks and take measures to reduce the risks by such means as shortening or even cancelling the credit period, requiring the retailers to submit guarantees, etc.;*

(iii) *The Authority proposes retaining the relevant requirement at this stage, but will monitor its implementation and further study the issue when appropriate.*

3.9 The *Directives* does not set out different requirements for traditional travel agents and online travel agents, and the former may also carry on travel agent business via the Internet:

(a) Views received: Among the services generally provided by traditional travel agents and covered in the *Directives*, some of them can hardly be provided by online travel agents, such as checking travel documents for travellers and ensuring that the information in a booking form for travel documents is correct.

(b) *The Authority's response: The views will be studied.*

3.10 The Authority proposes abolishing TIC's current requirement for the registration of the brochures of outbound package tours and setting up a mechanism of notification of emergency situations (outbound):

- (a) Views received: The requirement for the registration of brochures, which can facilitate an initial assessment of whether there are any outbound tours in the destination concerned in case of an emergency, should co-exist with the mechanism of notification of emergency situations to be established. There was an opposite view, welcoming the abolishment of the requirement for the registration of brochures as it is a heavy drain on the manpower and resources of travel agents.
- (b) *The Authority's response: Under the existing registration requirement, a travel agent must, before advertising or selling a package tour, submit the brochures to the TIC for registration. After the registration is completed, the TIC will not know whether the package tour has been formed or when it departs, etc. Abolition of the registration requirement can save the resources to be spent on handling this matter by the Authority and travel agents alike. More resources can thus be put to establishing and maintaining a mechanism of notification of emergency situations to handle emergency situations.*

3.11 The Authority proposes that if an emergency occurs in any destination of outbound travel, travel agents must, immediately or not more than 12 hours in any event, submit the specified information to the Authority:

- (a) Views received:
 - (i) As the proposed 12-hour limit for providing information to the Authority seems to be too long in case of emergency situations, it should be shortened;

- (ii) The definition of “emergency situation (outbound)” may include serious crimes and serious incidents which affect personal safety and should be subject to regular review in light of the development of the travel industry.
- (b) *The Authority’s response: The Authority will consider, after detailed study, whether the time limit and the definition need to be amended.*

3.12 Regarding the criteria of activating the mechanism of notification of emergency situations:

- (a) Views received:
 - (i) Travel agents may have their own interpretation of an “emergency situation (outbound)”, which affects the information to be reported to the Authority;
 - (ii) The *Directives* should lay down more specific guidelines on when the mechanism should be activated and what follow-up actions should be taken by the designated person of a travel agent; training in crisis management should be provided to these designated persons.
- (b) *The Authority’s response:*
 - (i) *It is not advisable to set out in detail when the mechanism will be activated because there are bound to be a range of variations arising from different situations and the actual operations of different travel agents, for which the Authority will have difficulty setting standardized criteria suitable for all situations. However, the Authority welcomes relevant views and*

will review the effectiveness of the mechanism and make improvements when appropriate;

- (ii) *The Authority will consider the suggestion of providing crisis management training to designated persons in detail.*

3.13 The Authority proposes that if a travel agent imposes on a customer a service charge in respect of an outbound package tour, the travel agent must state clearly the specified information of the service charge in the advertisement, itinerary, etc. of the package tour:

(a) Views received:

- (i) As disputes over service charges between customers and travel agents are quite common, the Authority should regularly review the amounts of these service charges. If travel agents expect all their customers to pay the service charges, which effectively become compulsory charges, travel agents should include the charges in the tour fares;
- (ii) If travellers are not satisfied with the services of tour escorts, local guides or tour coach drivers, there should be a proper channel for them to lodge a complaint or seek redress.

(b) *The Authority's response:*

- (i) *The relevant requirements are adopted from the TIC's requirements, which do not set any amounts or limits on the service charges of outbound tour groups. As for whether the service charge should be included in the tour fare, travel agents should be given the freedom to*

decide on their own how to run their business and sell their products.

- (ii) *The Authority will handle complaints involving non-compliance in accordance with procedures. As for complaints which concern the service standards of local guides and tour coach drivers and which do not involve any non-compliance concerning licensees, the Authority may consider referring the complaints to local authorities for follow-up.*

3.14 The Authority proposes that if travel agents have caused customers to be unable to use the retained monies before the original deadline due to reasons beyond control (outbound), travel agents must take the initiative to contact the customers to discuss the retained monies should be handled:

- (a) Views received: The Authority should set the maximum period (e.g. six months) within which travel agents may retain the monies, after which the travel agents must return the monies to the customers.
- (b) *The Authority's response: The Authority will consider whether a maximum period for retaining the monies is to be set after studying the issue in detail.*

3.15 The Authority proposes that the *Directives* require licensed travel agents to remind customers, at the time of booking outbound services or arrangements, of the importance of taking out travel insurance on their own. If the tour fare of an outbound package tour includes travel insurance, licensed travel agents must provide customers with the information on the insurance:

- (a) Views received:
 - (i) The Authority should devise clear guidelines on the sale of travel insurance by travel agents in order to protect

the consumers' right to choose. If travel agents are to sell outbound travel products bundled with travel insurance, the scope of the travel insurance should fully cover the entire journey (including self-paid activities) and all participants of the tour (including children and elderly people); otherwise, the travel agents should clearly explain the pitfalls to the consumers so that they can make an informed decision as to whether or not to take out that insurance;

- (ii) If a customer takes out travel insurance through a travel agent and the insurance does not cover tour cancellation, then the customer should get a refund of the premiums paid when the travel agent cancels the tour.

(b) *The Authority's response:*

- (i) *Since it is vitally important for outbound travellers to have themselves covered by purchasing travel insurance, the Authority has proposed under the Directives that travel agents are required to remind their customers to purchase travel insurance;*
- (ii) *The reasons why travel agents sell travel insurance to the participants of outbound package tours are twofold: to ensure that all the activities on the itinerary are covered by the insurance and, in case of any accident, it is necessary to contact only one insurance company. In the past, there were cases where the travel insurance purchased by the tour participants themselves did not cover all the activities on the itinerary;*
- (iii) *The Authority believes that the proposed arrangement has struck a balance between the protection of the rights of consumers and the actual operational needs of travel*

agents. After the new regulatory regime is fully implemented, the Authority will monitor the situation and consider formulating new directives when necessary.

Levy and ex gratia payment

3.16 According to section 138(1) of the Ordinance, “outbound package” means a combination of any two or all three of the specified services and arrangements relating to the same tour. According to sections 146(1) and 147(1) of the Ordinance, travel agents are required to pay levies in respect of outbound fares received by them in relation to outbound packages. However, since services or arrangements relating to the same tour may be purchased separately, the Authority proposes issuing directives requiring travel agents to inform customers of the specified wordings in the specified ways in order for the customers to ask the travel agents to combine the services or arrangements into an outbound package and pay the levies, thereby enabling the customers to be covered by the Compensation Fund:

- (a) Views received: It may be difficult for travel agents to keep track of travel products purchased at different times, and compliance with the requirements may involve operational difficulties. For example, air tickets and hotel accommodation relating to the same tour may be purchased by different persons or under different accounts; travel agents are uncertain whether they are responsible for verifying if the bookings belong to the same tour; travel agents will have difficulty making the verification if the customers provide incorrect information.
- (b) *The Authority’s response: The Directives does not require travel agents to know whether their customers have separately purchased services or arrangements relating to the same tour; rather, they are required to inform customers of the specified*

wordings in the specified ways before selling outbound services or arrangements. If customers want to combine the separately purchased services or arrangements relating to the same tour into an outbound package, they are responsible for providing correct information to their travel agents. Travel agents should, as far as practicable, verify whether separately purchased products belong to the same tour; if they do not match, the travel agents may ask customers to provide further information.

3.17 Although separately purchased services and arrangements relating to the same tour can be combined into an outbound package, the *Directives* does not specify the time interval in which these separate purchases can be combined. In other words, if services and arrangements are purchased at different times which fall outside the specified interval, the travel agent need not combine them into an outbound package.

- (a) Views received: the time interval between separately purchased services and arrangements should not exceed 24 hours.
- (b) *The Authority's response: The Authority will consider whether to specify the time interval after studying the issue in detail.*

Chapter 4 Administrative Scheme for Registered Shops for Inbound Tour Groups

4.1 At present, the TIC regulates shops patronized by inbound tour groups arranged by travel agents under the Refund Protection Scheme (Registered Shops) for Inbound Tour Group Shoppers (Refund Protection Scheme). Pursuant to section 152(2)(j) of the Ordinance, the Authority proposes establishing the Administrative Scheme for Registered Shops for Inbound Tour Groups (Administrative Scheme) for regulating shops that inbound tour groups are arranged to patronize. The Administrative Scheme broadly follows the Refund Protection Scheme but includes new clauses in the undertaking to be executed by registered shops to improve crowd management and enhance protection for tourists. The details are set out in Chapter 9 of the consultation document.

4.2 The views about the Administrative Scheme received by the Authority during the consultation period were generally supportive of the proposals, the key views of which are set out in paragraphs 4.3 to 4.8 below.

Arrangements for refund of money and return of goods in relation to Mainland inbound tours groups

4.3 Regarding the refund period, the Administrative Scheme follows the arrangement of the TIC, namely six months for Mainland inbound tour groups and 14 days for non-Mainland inbound tour groups:

- (a) Views received: The six-month refund period for Mainland inbound tour groups should be shortened.
- (b) *The Authority's response: The six-month refund period under the Refund Protection Scheme has been implemented by the TIC for Mainland inbound tour groups for more than a decade and has provided important shopping protection for Mainland tourists. Taking into account the time that Mainland tourists*

have actually taken to make refund requests in the past, the TIC has decided not to shorten the refund period. The Authority will adopt the six-month refund period implemented by the TIC but will review it at an appropriate time to keep up with the latest market situation.

4.4 Shops which join the Administrative Scheme through travel agents must undertake to abide by its terms. As regards the terms concerning refund arrangements:

- (a) Views received: Some goods (such as those having a short sell-by date or a limited warranty period) should be exempted from the refund arrangement.
- (b) *The Authority's response: Both the proposed Administrative Scheme and the TIC's Refund Protection Scheme are aimed at providing comprehensive refund protection for inbound visitors so that they can feel at ease when shopping at registered shops. The Authority does not recommend exempting some goods from the refund arrangement in order not to render the protection less comprehensive. Shops should carefully consider the requirements when deciding whether to join the Administrative Scheme and what kinds of goods to be sold.*

4.5 Regarding the permission for tourists to authorize others to go through the refund procedures on their behalf under the Administrative Scheme:

- (a) Views received: Only refunds made by the purchaser himself/herself should be allowed, and refunds made by those who charge shoppers a commission should not be allowed.
- (b) *The Authority's response: Most tourists stay in Hong Kong for a period shorter than the refund periods (six months for Mainland inbound tours groups and 14 days for non-Mainland inbound tours groups), which means most of them make refund*

requests after leaving Hong Kong. As those who need to make a refund request may not come back to Hong Kong shortly, it is reasonable to allow them to appoint someone, with proper authorization, to handle the refund procedures on their behalf.

Crowd management measures to be implemented by registered shops

4.6 An application submitted by a travel agent for the registration of a shop intending to receive Mainland inbound tour groups must be accompanied by practicable crowd management measures for the Authority's consideration. Regarding the requirement for crowd management:

- (a) Views received: The specific requirements of crowd management should be stated.
- (b) *The Authority's response: The Authority will issue guidelines on the specific requirements of crowd management in order for travel agents and shops to formulate appropriate measures.*

4.7 Under the Administrative Scheme, only those shops which receive Mainland inbound tour groups are required to adopt crowd management measures:

- (a) Views received: It was not clear why only Mainland inbound tour groups, but not other inbound tour groups, are subject to crowd management.
- (b) *The Authority's response: As obstructions and nuisances have mostly been related to the reception of Mainland inbound tour groups according to the TIC's experience, the Authority proposes that crowd management measures are to be applicable, at this stage, only to registered shops receiving Mainland inbound tour groups. The Authority will closely monitor the situation and conduct a review when appropriate.*

4.8 Under the Administrative Scheme, registered shops must undertake to arrange and assist the participants of inbound tour groups to get on and off tour coaches at safe and lawful pick-up and drop-off locations to minimize obstructions to traffic:

- (a) Views received: The Authority should work with the Police Force (which is responsible for traffic control) and the Transport Department (which is responsible for road design) to formulate appropriate crowd management measures for individual locations in need by, for example, setting up lay-bys for tour coaches or pick-up and drop-off points.
- (b) *The Authority's response: Shops intending to join the Administrative Scheme should consider the above factors in advance when choosing a location to open shop, and travel agents should consider whether a shop can meet all the requirements of the Administrative Scheme before registering the shop.*

Chapter 5 Other Views

5.1 During the trade consultation, the Authority received a wide range of views, including suggestions about trade regulation from organizations and members of the industry, views from the perspective of consumer protection, as well as views not within the power of the Authority.

5.2 Although some of these views are not directly related to the contents of this trade consultation, the Authority has nevertheless summarized the relevant views and responses in this chapter, with a view to explaining its functions.

5.3 Regarding the scope of protection of the Compensation Fund:

(a) Views received:

- (i) The Compensation Fund should cover the loss of outbound fares due to the closure of cruise companies;
- (ii) Whether the Compensation Fund can provide unemployment protection compensation for tourist guides who have made advance payments in the event of the closure of their travel agents;
- (iii) Whether the Compensation Fund will render protection to outbound package tours which assemble and are dismissed in Shenzhen or the Greater Bay Area;
- (iv) Guidelines should be formulated to enable consumers to know before they purchase travel products and services whether the products and services purchased will be covered by the Compensation Fund.

(b) *The Authority's response:*

- (i) *The Compensation Fund was established for the purpose of offering protection to outbound travellers who have purchased a combination of two or more specified travel services and arrangements from travel agents by requiring travel agents to contribute to the Compensation Fund by way of levy. In the event of a loss of outbound fare due to the closure, liquidation or bankruptcy of a travel agent, the affected outbound travellers may apply for ex gratia payment from the Compensation Fund. Since the Compensation Fund has always provided proper protection for outbound travellers, the Authority proposes maintaining the existing coverage;*
- (ii) *If an outbound package tour falls within the definition of "outbound package" under section 138(1) of the Ordinance, the outbound travellers who have receipts bearing the levy stamps will be entitled to protection under the Compensation Fund;*
- (iii) *Given the above views, the Authority will strengthen publicity and education for consumers on the scope of protection of the Compensation Fund.*

5.4 Regarding the purchasing of air tickets and other services from travel agents:

(a) Views received:

- (i) The consumers should be educated on the better protection provided by the Compensation Fund if they purchase air tickets from travel agents, rather than directly from airlines;

- (ii) Some airlines also sell air-plus-hotel packages directly to consumers, which means the consumers are not covered by the Compensation Fund if those airlines, having paid no levies, close down.
- (b) *The Authority's response: The Authority will enhance publicity and education for consumers on the scope of protection of the Compensation Fund.*

5.5 Regarding the regulation of tour escorts:

- (a) Views received: The Authority should require travel agents to assign tour escorts to accompany all outbound package tours or those tours with 15 or more participants with a view to safeguarding the safety of the participants; and require tour escorts to stay in the same hotels with the participants throughout the journey.
- (b) *The Authority's response: Whether a travel agent assigns a tour escort to accompany a package tour depends on a number of factors, including the number of participants, preferences of customers, outbound fares, costs, etc. Currently, the Authority has no plan to issue directives in this respect. As for whether or not tour escorts should stay in the same hotels with the participants depends on many factors, such as the availability of hotel rooms and the costs, and hence it is difficult to put in place the same regulation for all. Regardless of whether tour escorts are staying in the same hotels with tour participants, they usually provide the participants with their mobile phone numbers so that they can be contacted when necessary. The Authority will continue to carefully listen to the views of stakeholders in this regard.*

5.6 Regarding the regulation of tourist guides:

- (a) Views received: Docents should be exempted from having to hold a tourist guide licence; whether those who are merely responsible for arranging transfer services for inbound visitors must hold a tourist guide licence; whether those who merely provide transport information to inbound tour groups must hold a tourist guide licence; whether reception of Mainland friends visiting Hong Kong must be provided by a licensed tourist guide.
- (b) *The Authority's response: According to section 37 of the Ordinance, a person must hold a tourist guide licence if the person accompanies a visitor to Hong Kong for the purpose of providing any guiding service (which means the service of providing information, description or explanation in relation to an itinerary or a place of interest in Hong Kong) to the visitor in accordance with the directions of another person who is carrying on travel agent business (whether or not that other person is a licensed travel agent).*

5.7 Regarding the local place of business of a travel agent:

- (a) Views received: The Authority should allow travel agents to share a local place of business with non-travel agents and local places of business should be allowed to be located in commercial or industrial buildings to facilitate inspection by the Authority.
- (b) *The Authority's response: The Authority will consider this view.*

5.8 Whether inbound tour groups in different situations fall within the regulatory scope of the Authority:

(a) Views received:

- (i) The Authority should pay close attention to the legality of Mainland institutions which arrange on their own travellers to visit Hong Kong and stay at hotels, and maintain close communication with relevant bodies such as the hotel industry and establish a notification mechanism;
- (ii) How Mainland or overseas travel agents who arrange tour groups to be received in Hong Kong on their own can be regulated (e.g. Mainland or Thailand travel agents arrange tourist guides and tour coaches to receive tourists in Hong Kong on their own);
- (iii) Whether the following situation can be regulated: some Mainland tourists travel to Hong Kong not by joining an inbound tour group organized by a Mainland travel agent, but through other fancy means (such as the vouchers received for purchasing health care or insurance products).

(b) *The Authority's response:*

- (i) *Any person carrying on travel agent business is required to be licensed under the Ordinance. The Authority will pay close attention to any organizations and persons who may contravene any requirement in the Ordinance;*
- (ii) *Although the Authority does not have the power to regulate Mainland travel agents or non-travel agents who organize inbound tour groups, the Authority will*

seek to address the situation through ways such as liaising with the relevant Mainland regulatory authorities.

5.9 Whether outbound package tours in different situations fall within the regulatory scope of the Authority:

- (a) Views received: There were concerns that some local organizations arrange outbound package tours on their own after obtaining itinerary information and quotations from travel agents; and some schools, despite not being professional travel agents, often organize outbound study tours on their own, which is legal but may have risk concerns.
- (b) *The Authority's response: Any person carrying on travel agent business is required to be licensed under the Ordinance. The Authority will pay close attention to any organizations or persons who may contravene any requirement in the Ordinance. The Authority will pay attention to the situation where schools organize outbound study tours and will step up publicity and education.*

5.10 Regarding the regulation of travel agents that do not have a local place of business:

- (a) Views received: How travel agents without a physical shop will be regulated; how online travel agents outside Hong Kong will be regulated, disciplined and penalized; it was hoped that the relevant implementation details will create a level playing field for all licensed travel agents to operate and consumers to be adequately protected.
- (b) *The Authority's response: Online patrol will be conducted. If travel agents are suspected of contravening any requirements, they will be dealt with in accordance with the established*

procedures. If the suspected offender is not a licensed travel agent in Hong Kong, the Authority will consider notifying the relevant overseas regulatory authority for further action. Meanwhile, the Authority will strengthen consumer education and publicity.

5.11 Regarding the regulation of travel agents:

(a) Views received:

- (i) Whether there will be specific measures to regulate those travel agents which close down shortly after receiving money from customers;
- (ii) Guidelines on the power of inspectors to enter premises which licensed travel agents have arranged inbound tour groups to visit should be formulated and published;
- (iii) There were concerns over institutions which carry on travel agent business but whose principal business is not the carrying on of the business activities of a travel agent;
- (iv) Whether inter-regional travel agents will be allowed to apply for a single, group-wide licence (ie whether a single entity can apply for a group-wide licence to cover two or more group brand / website activities which may be operated by different group subsidiaries).

(b) *The Authority's response:*

- (i) *The Authority will conduct inspection and investigation for the purpose of monitoring the operation of travel agents in accordance with the power under the Ordinance, and subject to the result of inspection and investigation, cases may be referred to the relevant law*

enforcement departments or the Department of Justice for further action;

- (ii) The Authority will formulate internal guidelines on inspection and investigation, and will require the relevant personnel to strictly follow the guidelines;*
- (iii) As to the issue of a group-wide licence for inter-regional travel agents, any person who carries on travel agent business within the meaning defined in the Ordinance without a travel agent licence commits an offence.*

5.12 Regarding the regulation of Mainland inbound tour groups:

- (a) Views received: Whether the Authority will communicate with the regulatory bodies in the Mainland to combat Mainland inbound tour groups organized by unlicensed travel agents in the Mainland; and how the Authority will tackle the issue of Mainland inbound tour groups whose tour fares are zero or negative.
- (b) *The Authority's response:*
 - (i) The Authority will communicate with the relevant authorities in the Mainland for collaboration in combatting illegal activities, and will also strengthen regulation, publicity and education;*
 - (ii) The Authority's multi-pronged approach to curbing coerced shopping and other activities which severely hurt travellers' interests includes strengthening the enforcement of the requirements under the Ordinance, publicity, education, etc., so that Hong Kong travel agents' reliance on coerced shopping to recover cost or turn a big profit when receiving "zero or negative fare"*

or “low fare” Mainland inbound tour groups organized by travel agents in the Mainland can be combatted.

5.13 Regarding the training and examinations for tourist guides and tour escorts:

(a) Views received:

- (i) Whether Mainland secondary school qualifications meet the academic requirement for issuing tourist guide and tour escort licences;
- (ii) Whether travel agents can apply to be the organizer of training courses for tourist guides and tour escorts;
- (iii) How tourist guides who have failed their “road test” after passing the written test held by the TIC will be treated.

(b) *The Authority’s response:*

- (i) *According to Schedule 8 to the Ordinance, as far as education completed outside Hong Kong is concerned, the applicant must prove, to the satisfaction of the Authority, that it is equivalent to the level specified in the Schedule;*
- (ii) *Any organization can apply to conduct courses recognized by the Authority, and the Authority will consider such applications in accordance with the procedures;*
- (iii) *The Authority will carefully study whether the examinations organized by the TIC will be recognized and whether there will be transitional arrangements.*

5.14 Regarding authorised representatives:

(a) Views received:

- (i) Requests for special arrangements were made by some people, who, despite having had years of work experience as tourist guides and tour escorts and have been holding a travel agent licence since 2019, fail to meet the requirement for authorized representatives to have “at least 5 years of management experience in the travel industry” under the Ordinance;
- (ii) If the authorized representative resigns, whether there will be a grace period for the travel agent to appoint another person as the authorized representative and allow that other person to complete the training course.

(b) *The Authority’s response:*

- (i) *Schedule 7 to the Ordinance has clearly stipulated the qualification requirement for authorized representatives, and the Authority must process applications in accordance with the requirement;*
- (ii) *If a travel agent changes the authorized representative, the agent must apply to the Authority for approval of the new authorized representative in accordance with the provisions of the Ordinance. Having an authorized representative is an important regulatory measure under the new regime, and any travel agent who does not have an authorized representative must appoint one as soon as possible.*

5.15 Regarding the handling of contraventions in an expedited way:

(a) Views received:

- (i) The details of how contraventions will be dealt with in an expedited way should be clearly stated, such as which committee / person (if any) is responsible for making the decision; an inquiry committee should include at least one trade member and one non-trade member to ensure the independence of its decision;
- (ii) Work reports should be submitted to the relevant committees on a regular basis to monitor the effectiveness of handling cases of non compliance in an expedited way and enhance transparency.

(b) *The Authority's response:*

- (i) *The Ordinance has stipulated certain requirements for the composition of inquiry committee, including that at least one of its members must be a trade member, and at least half of the members must be non-trade members;*
- (ii) *The Ordinance has stipulated that cases of non compliance handled in an expedited way are determined by the chairman of the Disciplinary Committee; the Authority will consider how to enhance transparency.*

5.16 Regarding the remuneration and employment of tourist guides and tour escorts:

- (a) Views received:
 - (i) Whether there would be mechanisms in place to secure the wages or service charges of tourist guides when travel agents cease business;
 - (ii) Freelance tourist guides or tour escorts should be offered assistance in finding jobs (by, for example, making the relevant online information platforms easier for travel agents to look for tourist guides or tour escorts);
 - (iii) There should be more guided tours in museums and other places;
 - (iv) The protection for the rights of tourist guides and tour escorts should be strengthened by requiring that all inbound tour groups (those which need to be transported by tour coaches) must be received by Hong Kong's tourist guides;
 - (v) Guidelines on "reasonable wages for tourist guides" should be formulated for travel agents' reference;
 - (vi) The wages of tourist guides should be paid in the form of basic wage and commission (for example: the daily basic wage being \$1,000–1,500, and hourly rate being \$100–150);
 - (vii) There were concerns that the working hours for tourist guides to receive Indian or Southeast Asian groups are too long, and the daily wage is only \$600;

- (viii) Travel agents should negotiate the levels of wages with tourist guides in a fair manner for the latter to have greater protection.
- (b) *The Authority's response: Given the Authority's statutory functions, the Authority is unable to deal with these views or suggestions. If there are suitable channels, the Authority will convey these views to the relevant authorities.*

5.17 Regarding the regulation of local tours and walking tours:

- (a) Views received:
 - (i) Local tours should be organized by licensed travel agents and received by licensed tourist guides to ensure their quality;
 - (ii) Whether “walking tours” will be exempted from regulation.
- (b) *The Authority's response:*
 - (i) *Local tours that do not involve visitors to Hong Kong are not covered by the Ordinance, but the Authority will convey the views to the Government;*
 - (ii) *If there are visitors to Hong Kong among the participants of a “walking tour”, the tour will fall within the scope of the Ordinance. That said, according to section 4(2) of the Ordinance, if a person's principal business is not the carrying on of the business activities of a travel agent, and the relevant business activities are ancillary to the person's principal business, then no licence is required; and the Authority will determine whether a business activity is ancillary to a person's principal business in accordance with section 4(3) of*

the Ordinance. Therefore, whether a person who conducts a “walking tour” will be exempted from regulation depends on the outcome of the assessment under section 4(3).

5.18 Regarding the assistance provided to tourism practitioners under the Anti-epidemic Fund:

- (a) Views received: There were concerns about the failure of the Government’s Anti-epidemic Fund to provide subsidies to trade practitioners.
- (b) *The Authority’s response: As the functions of the Authority do not cover these concerns, the Authority will convey them to the Government.*

5.19 Regarding public access to information on the skills possessed by tourist guides and tour escorts:

- (a) Views received: Tourist guides and tour escorts should be required to declare information related to their profession, including the languages they can speak and related skills, for public access.
- (b) *The Authority’s response: Whether the relevant information should be collected and released by the Authority must be considered in light of different perspectives, including whether the relevant information has been obtained and verified in accordance with the Ordinance. The Authority will study its feasibility.*

5.20 Regarding “Accredited Geopark Guide Passes”:

- (a) Views received: There were enquiries about the arrangements under the new regulatory regime for the “Accredited Geopark Guide Passes” issued by the TIC.

- (b) *The Authority's response: The Ordinance only covers the transitional arrangements for tourist guide passes and tour escort passes issued by the TIC, and it does not include arrangements for other documents issued by the TIC, such as the "Accredited Geopark Guide Passes". The Authority will convey the relevant views to the TIC for follow up.*

5.21 Others:

- (a) Views received: It was suggested that the Authority should consider issuing travel agent licences of different levels in the long run, with each level having different licensing criteria; making good use of technology to provide convenient digital channels for handling enquiries and complaints; and encouraging the industry and travel agents to develop digital platforms to handle complaints in order to improve customer service.
- (b) *The Authority's response: The views are noted.*