

**Business Facilitation Advisory Committee
Task Force on Business Liaison Groups**

Implementation of reserve licensee mechanism for liquor licence

Purpose

This paper briefs members on the implementation of Reserve Licensee Mechanism for liquor licence.

Background

2. Pursuant to the Dutiable Commodities (Liquor) Regulation (Cap 109 B), any person who intends to sell liquor at any premises for consumption on the premises must obtain a liquor licence before commencement of such business, and the licence is granted to a person who is authorised to manage the premises.

3. Food business owners / operators have expressed concern over the occasional disruption in business operation when the liquor licensee, who is usually an employee, suddenly leaves the job without having completed the transfer of the licence held in his name to a successor. To address the trade's concern, the Government plans to roll out a "Reserve Licensee Mechanism" ("the Mechanism") in the first quarter of 2017.

The Mechanism

4. The Mechanism is a new trade facilitation initiative to minimize disruption to the liquor selling business due to sudden departure of the licensee by identifying and nominating at an early stage a suitable person as a reserve licensee to take over the role of the licensee. A person to be nominated as a reserve licensee should meet the "fit and proper person" criterion and not be a licence holder or reserve licensee of other liquor licensed premises. Under the Mechanism, an application for nomination of reserve licensee has to be submitted together with application for new issue/ renewal / transfer of liquor licence to Liquor Licensing Board (LLB). After seeking comments from the

Police, LLB Secretary will, in general, consider approving the application for nomination of reserve licensee in about 8 weeks upon the approval of the new issue / renewal / transfer applications.

5. Should there be a sudden departure of the liquor licensee, the business owner or operator can apply for authorisation of the nominated reserve licensee to take over the role of the licensee. At the same time, the owner or operator should arrange application of new issue/transfer of liquor licence as appropriate. Subject to reserve licensee's self-declaration of not being an existing liquor licence holder and no change in criminal record subsequent to approval of nomination, the LLB Secretary will grant approval-in-principle in 2 to 4 working days. In parallel, LLB Secretary would refer the authorisation application to the Police for comments. Upon receiving their comments, LLB Secretary will consider to grant a formal approval to the authorisation (or revoke the approval-in-principle).

6. Under the existing regulation, the authorisation period for the reserve licensee to take over the role of licensee is limited to 25% of the licence duration or not more than 90 days whichever is the shorter. As such, the business owner or operator should arrange application for new issue /transfer of liquor licence as appropriate to minimise disruption to business operation arising from the sudden departure of the liquor licensee.

7. With a reserve licensee in place, should the licensee apply for temporary absence for more than 30 days under the existing Temporary Absence Mechanism, LLB Secretary can authorize the reserve licensee to take over the licensee's role in 4 working days, which is much shorter than 15 working days at present.

Way Forward

8. Members are invited to note the content of this paper and offer comments, if any.

Food and Environmental Hygiene Department
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