

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

Facilitation measures for the guesthouse trade

Background

Operation of guesthouses in Hong Kong is regulated by the Hotel and Guesthouse Accommodation Ordinance (Cap. 349) (the Ordinance). In 2014, the Home Affairs Department (HAD) conducted a public consultation on the review of the Ordinance to gauge public views on a number of proposed measures, including administrative enhancement measures and proposals that require legislative amendments, with a view to improving the licensing regime to minimize the nuisance and annoyance caused by licensed guesthouses to the local residents, and facilitating enforcement actions against unlicensed guesthouse.

2. To enhance the safety and management of the licensed guesthouses, the Office of the Licensing Authority (OLA) under HAD subsequently introduced the following three administrative enhancement measures with effect from 28 December 2015 -

- (a) a 24-hour manned counter is required to be installed at the licensed guesthouse (general)¹;
- (b) a third party risks insurance policy is required to be procured by the licensee; and
- (c) four different forms of licences will be issued on the basis of the approved use of the premises, namely, “hotel licence”, “guesthouse (general) licence”, “guesthouse (holiday camp) licence” and “guesthouse (holiday flat) licence”.

To allow sufficient time to comply with the above requirements, the

¹ If there are insurmountable physical constraints in the premises, the applicant may submit an alternative proposal for OLA’s consideration and approval.

existing guesthouse licences were given a grace period of 12 months upon licence renewal. OLA had at the same time adjusted the licence validity period of the guesthouses (general) and guesthouses (holiday flat) licences from not more than 36 months to 12 months to prepare the trade for the future regulatory regime and to facilitate their compliance with the three administrative enhancement measures.

Trade's Concern

3. At the recent Business Liaison Group meetings for guesthouses, holiday camps and holiday flats, the trade enquired about the assessment criteria of alternative proposals in place of a 24-hour manned counter, and whether OLA could provide more details or guidelines on the requirements of alternative measures to facilitate their compliance. Moreover, the trade also expressed that the shortening of the validity period of the guesthouses (general) and guesthouses (holiday flat) licences had increased their average licence fee and administration cost. The trade requested OLA to resume issuing multi-year licence for these licences.

Administration's Response

4. In response to the trade's enquiry regarding alternative proposals, OLA published the "Supplementary Guideline on the Provision of 24-hour Manned Counter" (http://www.hadla.gov.hk/filemanager/en/docs/hotel_20170103_eng.pdf) in January 2017. The supplementary guideline sets out the criteria for the alternative proposals, including –

- (a) some other means of 24-hour manned direct communication should be provided between the guesthouse operator and patrons (e.g. designated telephone number, email address, etc.) together with the installation of closed-circuit television (CCTV) to monitor the situation in the guesthouses concerned;
- (b) licensee/applicant should pledge that help will be provided at the guesthouse concerned around 20 minutes from the time of a patron's call; and

- (c) the licensee/applicant should provide documentary proof that the means of 24-hour manned direct communication and the installation of CCTV are in a location under his/her management or control.

OLA will consider and accept alternative proposals on a case by case basis, taking into account their merits and circumstances.

5. Furthermore, in view of the general compliance with the three administrative enhancement measures over the past year, with effect from 1 March 2017, OLA has resumed issuing the guesthouses (general) and guesthouses (holiday flat) licences for a period exceeding 12 months and not more than 36 months provided that the applications comply with the stipulated requirements. The trade appreciates and welcomes this new arrangement, which facilitates their business operation without compromising public interest.

Way Forward

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

Home Affairs Department
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