



# Property Management Services Ordinance (Cap. 626)

## Proposed Licensing Regime for Property Management Companies and Property Management Practitioners

### Consultation Paper

November 2018

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## Chapter 1 Introduction

1. The Property Management Services Authority (the Authority) invites members of the public to provide written comments **on or before 2 January 2019** on the proposals set out in this Consultation Paper.
2. The names and the views of individuals or organisations making written comments in response to this Consultation Paper may be disclosed on the Authority's website and in other documents to be published by the Authority. If you wish to remain anonymous and/or keep your views confidential, please expressly state so when making your written comments. Please read the personal information collection statement in Chapter 2 of this Consultation Paper.
3. Please download the Reply Form from the Authority's website (<https://www.pmsahk.org.hk/en/licensing/consultation.html>). Written comments can be made by one of the following means:

Post: Units 904-5, 9/F, Sunlight Tower, 248 Queen's Road East,  
Wan Chai, Hong Kong

(Please state on the envelope "Re: Consultation Paper on  
Licensing Regime")

Email: [consultation@pmsahk.org.hk](mailto:consultation@pmsahk.org.hk)

Fax: 3696 1100

Property Management Services Authority

November 2018

## **Chapter 2 Personal information collection statement**

1. This personal information collection statement is made in accordance with the guidelines issued by the Privacy Commissioner for Personal Data. It sets out the purposes for which the personal data<sup>1</sup> you provided will be used, matters you agree to with respect to the use of your personal data by the Authority and your rights under the Personal Data (Privacy) Ordinance (Cap. 486) (PDPO).

### **Purpose of Collection**

2. The personal data provided in your written comments to the Authority in response to this Consultation Paper may be used by the Authority for one or more of the following purposes:
  - (a) for discharging the statutory functions of the Authority under the Property Management Services Ordinance (Cap. 626) (PMSO<sup>2</sup>);
  - (b) for research and statistical purposes; and
  - (c) for other purposes permitted by the law.

### **Transfer of Personal Data**

3. The names and views of individuals and organisations given in the written comments in response to this Consultation Paper may in whole or in part, be provided to relevant policy bureaux and departments of the Government, published in Hong Kong and/or other regions, and/or for public inspection. The Authority may use, adopt or develop any views received without seeking permission from or providing acknowledgement of the party providing the views. The Authority may, either in discussion with others or in any subsequent report, whether privately or publicly, refer to views with names provided in response to the Consultation Paper. If you wish to remain anonymous and/or keep your views confidential, please state so when making your written comments. The Authority will respect your wish for confidentiality and the data provided will not be disclosed. If no request for anonymity or confidentiality is made, consent to the disclosure of all names and views will be assumed.

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<sup>1</sup> Personal data means “personal data” as defined in the Personal Data (Privacy) Ordinance (Cap. 486).

<sup>2</sup> The PMSO is available at <https://www.elegislation.gov.hk/hk/cap626>.

4. To protect your privacy in relation to personal data, the Authority when disclosing the written comments received will delete, as appropriate, your contact information (such as telephone number and email address).

### **Access to Data**

5. You have the right to request access to and correction of your personal data in accordance with the provisions of the PDPO. Your right of access includes the right to obtain a copy of your personal data provided in your written comments in response to this Consultation Paper. The Authority has the right to charge a reasonable fee for processing any data access request.

### **Retention of Data**

6. Personal data provided to the Authority in response to this Consultation Paper will be retained for such period as may be necessary for the proper discharge of the functions of the Authority.

### **Enquiries**

7. Any enquiries regarding the personal data provided in your written comments in response to this Consultation Paper, or requests for access to or correction of your personal data should be addressed in writing to:

Personal Data Privacy Officer  
Property Management Services Authority  
Units 904-5, 9/F, Sunlight Tower  
248 Queen's Road East  
Wan Chai, Hong Kong

8. The Privacy Policy Statement adopted by the Authority is available online at [https://www.pmsahk.org.hk/en/other/privacy\\_policy.html](https://www.pmsahk.org.hk/en/other/privacy_policy.html)

## Chapter 3 Overview

1. The Authority is a body corporate established under section 42(1) of the PMSO. One of its principal functions is to regulate and control the provision of property management services by the licensing of property management companies (PMCs) and property management practitioners (PMPs). Before implementing the licensing regime, the Authority is required to prescribe the details by means of a subsidiary legislation and submit the same to the Legislative Council for negative vetting. Extracts of the provisions of the PMSO in relation to licensing are set out in **Appendix 1** to this Consultation Paper.
2. The Authority has been working actively in drawing up details of the licensing regime. During the process, views from various parties are gauged to facilitate the Authority to better understand the mode of operation of the industry and hence to formulate a licensing regime that will benefit both the industry and the society. In this connection, the Authority has put forward proposals on the licensing regime for PMCs and PMPs, as set out respectively in Chapter 5 and Chapter 6 of this Consultation Paper. All are welcomed to express their views.
3. Views collected will be considered when preparing the draft subsidiary legislation for the licensing regime for submission to the Legislative Council for negative vetting. The licensing regime for the property management industry will be formally implemented upon the completion of the vetting procedures by the Legislative Council and the putting in place of the corresponding supporting measures by the Authority.

## **Chapter 4 Background**

1. The enactment of the PMSO by the Legislative Council on 26 May 2016 signifies a general recognition of the importance of property management services in our society. The PMCs and PMPs play a vital role in assisting property owners to manage their buildings. Property management requires professional services across multi-disciplines. The service quality of property management affects the safety and hygiene standards of buildings as well as the living environment. A mandatory licensing regime which sets qualification requirements for PMCs and PMPs will raise professional standards and increase public awareness of the importance of engaging qualified PMCs and PMPs.

### **Establishment and functions of the Authority**

2. The Authority has 20 members who are appointed by the Chief Executive. The term of the first board is for a period of three years with effect from 1 December 2016.
3. The principal functions of the Authority are:
  - (a) to regulate and control the provision of property management services by the licensing of PMCs and PMPs;
  - (b) to promote the integrity, competence and professionalism of the profession of property management services; and
  - (c) to maintain and enhance the status of the profession of property management services.

### **Definitions of property management services**

4. Property management requires professional knowledge across multi-disciplines. Schedule 1 to the PMSO sets out seven categories of property management services, as follows:
  - (a) general management services relating to a property;
  - (b) management of the environment of a property;
  - (c) repair, maintenance and improvement of a property;
  - (d) finance and asset management relating to a property;
  - (e) facility management relating to a property;

- (f) human resources management relating to personnel involved in the management of a property; and
  - (g) legal services relating to the management of a property.
5. Pursuant to section 3 of the PMSO, the Authority may, by regulation, prescribe a service falling within a category of services set out in Schedule 1 as a property management service. In the regulation, the services must be prescribed with reference to the categories of services set out in Schedule 1; and more than one type of service may be prescribed under a category.

### **Exceptions to prohibition of unlicensed activities**

6. Section 6(1)(a), (2)(a) and (3)(a) of the PMSO provide for the prohibition of unlicensed activities. It provides that no person may, without a PMC or PMP licence, as the case may be, act as a PMC or PMP. Section 7 sets out the exceptions to the prohibition, which includes the case of a PMC whose business does not involve the provision of property management services falling within more than one category or sub-category<sup>3</sup> of services.
7. Moreover, section 7 of the PMSO provides that the prohibition does not apply to the Hong Kong Housing Authority or a PMC providing property management services to a property outside Hong Kong. Section 7 further stipulates that an owner organisation or owner(s)<sup>4</sup> of a property containing less than 1,500 flats<sup>5</sup> and managing the property without engaging any PMC or PMP are not required to have a PMC licence.

### **Licensing of PMCs**

#### Single-tier licensing regime

8. The PMSO provides for a single-tier licensing regime of PMCs. Companies providing only one type of service (e.g. security or cleaning services) are not subject to the licensing regime. Please refer to **Appendix 2** to this

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<sup>3</sup> “Sub-category” refers to the types of services prescribed under a category by the Authority pursuant to section 3(2) of the PMSO.

<sup>4</sup> Owner(s) must be an individual or individuals who does/do not provide another property with property management services for profit.

<sup>5</sup> Flats as defined by section 2 of the Building Management Ordinance (Cap. 344).

Consultation Paper for the examples of PMCs subject to the licensing regime.

## **Licensing of PMPs**

### Two-tier licensing regime

9. The PMSO provides for a two-tier licensing regime of PMPs. Practitioners who do not assume managerial or supervisory roles are not required to obtain PMP licences. The two-tier licensing regime would help encourage PMPs to pursue professional development and upgrade to the upper tier, while continuing to allow PMPs with lower qualifications to have access to the property management industry. Section 2 of the PMSO stipulates that “property management practitioner” means an individual who assumes a **managerial** or **supervisory** role in a PMC in relation to the property management services provided by the PMC.
10. The definition of PMP consists of two major elements: (a) assuming a managerial or supervisory role in a PMC; and (b) in relation to the property management services provided by the PMC concerned. Whether an individual is subject to the licensing requirements does not depend on the post title, but rather on whether the work satisfies both criteria (a) and (b) and hence falls within the definition of PMP. Please refer to **Appendix 2** to this Consultation Paper for the examples of PMPs subject to the licensing regime.

### Three-year transition period

11. In order that existing experienced PMPs who do not satisfy the licensing criteria (e.g. academic qualifications) may stay in the industry, the PMSO provides for a three-year transition period during which PMPs meeting the prescribed licensing criteria (e.g. work experience) may apply for provisional licences for them to continue their work while acquiring the qualifications for formal licences.

## **Reference materials**

12. The Home Affairs Department had conducted a public consultation before introducing the Property Management Services Bill to the Legislative Council in 2014 to gauge public views on the key parameters of the proposed

licensing regime. Consolidated views were incorporated in the papers submitted to the Legislative Council during the committee stage of the Property Management Services Bill<sup>6</sup>. Extracts of the provisions of the PMSO, enacted in May 2016, relating to licensing matters are at **Appendix 1** to this Consultation Paper.

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<sup>6</sup> Report of the Bills Committee on the Property Management Services Bill of Legislative Council is available at <http://www.legco.gov.hk/yr13-14/english/bc/bc57/reports/bc570203cb2-765-e.pdf>.

## **Chapter 5 Proposed licensing regime for property management companies**

### **1. Prescribing property management services**

The purpose of the licensing regime is to ensure a high quality of services provided by the property management industry and enhance its professionalism by regulating the PMCs and PMPs. In this connection, property management services must be clearly defined so that a PMC which should be regulated can be included in the licensing regime. Property management requires multi-disciplinary professional knowledge, and Schedule 1 to the PMSO sets out the seven categories of property management services, as follows:

- (1) General management services relating to a property;
- (2) Management of the environment of a property;
- (3) Repair, maintenance and improvement of a property;
- (4) Finance and asset management relating to a property;
- (5) Facility management relating to a property;
- (6) Human resources management relating to personnel involved in the management of a property; and
- (7) Legal services relating to the management of a property.

Pursuant to section 3 of the PMSO, the Authority may, by regulation, prescribe a service falling within a category of services set out in Schedule 1 as a property management service. In the regulation, the services must be prescribed with reference to the categories of services set out in Schedule 1; and more than one type of service may be prescribed under a category.

#### **1.1 Relevant provisions set out in PMSO**

Sections 3(1) and (2), 6(1), 7(2), Schedule 1.

#### **1.2 Property management services to be prescribed by regulation**

The Authority proposes to prescribe the following property management services for the categories of services set out in Schedule 1 to the PMSO, including 4 sub-categories under the second service category, i.e.

management of the environment of a property, with an overview and examples for explanation.

***(1) General management services relating to a property***

This category is on the daily services for and liaison with owners, residents, tenants, users and visitors (including organisations such as owners' corporations (OCs), owners' committees and mutual aid committees) relating to the management of a property, or services and liaison provided in accordance with a deed of mutual covenant (DMC) (excluding services under categories 2 to 7). Examples include but are not limited to convening of regular meetings such as owners' committee meeting, management committee meeting, owners' general meeting and annual general meeting and/or periodical submission of work reports, handling and following up on enquiries, complaints and suggestions, providing procurement and contract management services, and preparing house rules of a property.

***(2) Management of the environment of a property***

This category is on the cleanliness, hygienic conditions, landscape, environment and safety of a property, and is further divided into four sub-categories, namely:

- (a) Cleanliness and hygiene of common areas (examples including but not limited to cleaning, waste and refuse disposal arrangement, mosquito and pest control);
- (b) Landscape facilities and maintenance (examples including but not limited to landscape design, landscape improvement, hard landscaping horticultural maintenance, green walls, tree risk assessment and management arrangement);
- (c) Environmental safety and protection (examples including but not limited to provision and management of facilities for environmental protection, water quality and compliance with relevant legislation, inspections and maintenance of slopes and retaining walls); and
- (d) Security and fire safety (examples including but not limited to provision and management of security service and fire service facilities, emergency or crisis management, provision and management of facilities required by relevant legislation).

**(3) *Repair, maintenance and improvement of a property***

This category is on the repair, replacement, maintenance and large-scale maintenance, continuous improvement of the functions of a property, and maintenance of building structural safety (including procurement of building repair and maintenance works) of the building structure and its facilities including ventilation, plumbing and drainage, air-conditioning and electrical installations. Examples include but are not limited to repair, replacement and maintenance works for common areas and common facilities of a building as defined in the DMC, provision of building improvements and enhancement works, and provision of administration and work process management of projects or construction works.

**(4) *Finance and asset management relating to a property***

This category is on financial management and budget preparation relating to the management of a property. Examples include but are not limited to collection of management fees, preparation and submission of management accounts (including income and expenditure accounts, balance sheets, budgets and auditor's reports of a building) and calculation of expenditure on service contracts as well as income and expenditure in special accounts.

**(5) *Facility management relating to a property***

This category is on facility management relating to the management of a property. Examples include but are not limited to management of club house, shopping centre and other types of ancillary facility, such as car park, loading area and private road. For the management of club house, it includes application for relevant licences and maintenance and replacement of recreational facilities. For the management of shopping centre, it includes the use, management and development of such facilities or premises. For the management of car park, loading area and private road, it includes access control system, illumination, air quality and direction signs, etc.

**(6) *Human resources management relating to personnel involved in the management of a property***

This category is on human resources management relating to the management of a property, including planning of manpower needs, recruitment, training, performance assessment and occupational safety. Examples include but are not limited to manpower planning and

deployment, appointment and dismissal, and labour insurance and compensation of staff relating to the management of a property.

**(7) *Legal services relating to the management of a property***

This category is on the understanding on the general scope of work of government departments and the judiciary system, arrangement of litigation, arbitration and mediation relating to the management of a property, drafting of building management related contracts and provision of advice on issues relating to the Building Management Ordinance (BMO) (Cap. 344), the Property Management Services Ordinance (Cap. 626), the DMC of a building and relevant legislation or statutory orders.

**Question**

A1. What is your view on the prescribed categories and sub-categories of property management services in paragraph 1.2? Are the descriptions clear and the examples adequate?

## **2. Licensing criteria for PMCs and consideration of suitable person**

Apart from ensuring the quality of PMCs, the proposed licensing criteria should also take into account that the proposals will not create unnecessary barriers to the market, so as to avoid any shortage of supply of PMCs. To this end, the Authority has thoroughly considered the licensing criteria to be prescribed. Please refer to **Appendix 2** to this Consultation Paper for the examples of PMCs subject to the licensing regime.

### **2.1 Relevant provisions set out in PMSO**

Sections 8(2), 9(2), 10(2), 11(2) and (4), 15(1)(c) and (2)(a).

### **2.2 Licensing criteria for PMCs (For a summary of the criteria, please refer to Tables 1 and 2 below)**

- (a) A PMC licence may only be issued to a company, a partnership or an individual carrying on business as a sole proprietor [section 8(2) of the PMSO refers].
- (b) A PMC which is a company registered under the Companies Ordinance (Cap. 622) is required to have at least 1 director holding a PMP (Tier 1) licence.
- (c) A PMC which is a partnership is required to have at least one partner holding a PMP (Tier 1) licence.
- (d) A PMC which is a sole proprietorship is required to have its sole proprietor holding a PMP (Tier 1) licence.
- (e) Such a director, partner or sole proprietor holding a PMP licence may act in the capacity as specified in (b) to (d) above in not more than six PMCs.
- (f) Regardless of the number of flats or area of the properties under its management, and regardless of whether it is managing any property or not (e.g. when it is newly established), each PMC must engage at least two licensed PMPs on a full-time basis, of whom at least one is holding a PMP (Tier 1) licence. A full-time company director, partner or sole

proprietor holding a PMP licence may be taken into account for the purpose of this requirement<sup>7</sup>.

- (g) The minimum number of PMPs engaged on a full-time basis by each PMC and the respective tier of licence must meet the “requirement on the ratio of the minimum number of licensed PMPs engaged by a licensed PMC to the total number of flats and/or area of all properties under its management” as specified by the Authority (see **Table 2** below). A full-time company director, partner or sole proprietor holding a PMP licence may be taken into account for the purpose of this requirement.
- (h) A PMC which has commissioned property management services for **all** the properties under its management to other PMCs is not required to comply with the requirement in (g) above, but must comply with the requirements in (b) to (f) above. The PMC(s) so commissioned must, apart from meeting the requirements in (b) to (f) above, also meet the requirement in (g) above for the commissioned properties.
- (i) A PMC which has commissioned property management services for **part of** the properties under its management to other PMCs is required to comply with the requirements in (b) to (f) above, as well as the requirement in (g) above for the properties it directly manages (i.e. non-commissioned properties). However, the PMCs engaged for the commissioned properties must meet, apart from the requirements in (b) to (f) above, also meet the requirement in (g) above for the commissioned properties.

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<sup>7</sup> If a company director, partner or sole proprietor manages more than one PMC, he/she cannot be considered as full-time nor taken into account for this purpose. Moreover, if a company director, partner or sole proprietor is not holding a PMP licence, he/she must not act as a PMP. A PMP means an individual who assumes a managerial or supervisory role in a PMC in relation to property management services provided by the company. Pursuant to section 6(4) of the PMSO, a person who contravenes this requirement commits an offence.

**Table 1: Summary of the above requirements for directors, partners, sole proprietors, minimum number and ratio of licensed PMPs of a licensed PMC**

Types of licensed PMCs	Company registered under the Companies Ordinance (Cap. 622)	Partnership	Sole proprietorship
<b>(I) Requirements for directors, partners and sole proprietors</b>			
Minimum number	One director	One partner	One sole proprietor
Tier of licence	PMP (Tier 1)		
Maximum number of PMCs where a director, partner or sole proprietor holding a PMP licence acting in the capacity specified in paragraph 2.2 (b) to (d) can serve	Six PMCs		
<b>(II) Minimum number and ratio of full-time licensed PMPs</b>			
(Note: A full-time company director, partner or sole proprietor holding a PMP licence may be taken into account for the purpose of this requirement)			
Newly established, not yet managing any property	<ul style="list-style-type: none"> <li>Two PMPs, of whom at least one is holding a PMP (Tier 1) licence</li> </ul>		
Property management services of all the properties under its management have been commissioned to other PMCs (i.e. with no property under its direct management)			

Types of licensed PMCs	Company registered under the Companies Ordinance (Cap. 622)	Partnership	Sole proprietorship
With property under its direct management (regardless of whether the property is commissioned through service contract from other PMCs)	<ul style="list-style-type: none"> <li>Refer to the minimum ratio requirement of licensed PMPs (as shown in <b>Table 2</b> below)</li> </ul>		

**Table 2: Requirement on the ratio of the minimum number of licensed PMPs engaged by a licensed PMC to the total number of flats and/or area of all properties under its management**

	Licensed PMP (Tier 1)	Licensed PMP (Tier 2)
<b>(I) Residential</b>	At least one for every 3,000 flats or below	At least one for every 1,500 flats or below
	Note (1): In respect of individual property under management, if a property comprises residential and non-residential parts, the area of the non-residential part will be exempted in the calculation of the ratio specified in <b>Table 2 (II)</b> if the gross floor area does not exceed 5,000 m <sup>2</sup> .	
<b>(II) Non-residential</b>	At least one for every 100,000m <sup>2</sup> or below (in gross floor area <sup>8</sup> )	At least one for every 30,000m <sup>2</sup> or below (in gross floor area <sup>8</sup> )
Note (2): Licensed PMCs must engage <b><u>not less than</u></b> the number of licensed PMPs specified in this Table 2.		

<sup>8</sup> Pursuant to section 23(3)(a) of the Building (Planning) Regulations (Cap. 123F), the gross floor area of a building shall be the area contained within the external walls of the building measured at each floor level (including any floor below the level of the ground), together with the area of each balcony in the building, which shall be calculated from the overall dimensions of the balcony (including the thickness of the sides thereof), and the thickness of the external walls of the building. The Code of Measuring Practice and relevant guidelines issued by the Hong Kong Institute of Surveyors should be followed if the gross floor area cannot be calculated in accordance with the above method. Reference can also be made to the relevant information from the Buildings Department, agreement for sale and purchase for first sale of property, construction companies or surveying companies.

### **Example 1**

A PMC has no property under its management (as in the case of a newly established PMC), i.e. the number of flats of the residential part and the gross floor area of the non-residential part under its management are both 0. According to the proposed licensing criteria (i.e. paragraph 2.2(f)), the PMC must engage at least two licensed PMPs on a full-time basis, of whom at least one is holding a PMP (Tier 1) licence.

### **Example 2**

A PMC manages the following properties:

Property	Residential part	Non-residential part	
	Number of flats	Gross floor area (m <sup>2</sup> )	Gross floor area (m <sup>2</sup> ) to be included in meeting the ratio requirement in <b>Table 2</b>
1	500	0	0
2	1,000	600	0 <sup>9</sup>
3	3,800	5,100	5,100 <sup>10</sup>
<b>Total</b>	5,300	-	5,100

According to the ratio in **Table 2** above, the PMC must engage at least three PMPs (Tier 1) **and** five PMPs (Tier 2). See the “Total” below:

	Licensed PMP (Tier 1)	Licensed PMP (Tier 2)
Residential part	2	4
Non-residential part	1	1
<b>Total</b>	<b>3</b>	<b>5</b>

### **Example 3**

A PMC manages non-residential properties of a gross floor area of 103,000 m<sup>2</sup>. As there is only non-residential part and no residential part, the

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<sup>9</sup> It is exempted because the gross floor area of the non-residential part does not exceed 5,000 m<sup>2</sup>.

<sup>10</sup> It is not exempted because the gross floor area of the non-residential part exceeds 5,000 m<sup>2</sup>.

exemption specified in note (1) of **Table 2** is not applicable to the calculation of the non-residential part. According to the ratio in **Table 2** above, the PMC must engage at least two PMPs (Tier 1) **and** four PMPs (Tier 2). See the “Total” below:

	Licensed PMP (Tier 1)	Licensed PMP (Tier 2)
Residential part	not applicable	not applicable
Non-residential part	2	4
<b>Total</b>	<b>2</b>	<b>4</b>

#### **Example 4**

A PMC provides property management services only to a housing estate, which is composed of 2,000 residential units, a shopping centre with 10,000 m<sup>2</sup> and a car park with 6,000 m<sup>2</sup>. According to the ratio in **Table 2** above, the PMC must engage at least two PMPs (Tier 1) **and** three PMPs (Tier 2). See the “Total” below:

	Licensed PMP (Tier 1)	Licensed PMP (Tier 2)
Residential part	1	2
Non-residential part (including the shopping centre and car park)	1	1
<b>Total</b>	<b>2</b>	<b>3</b>

#### **Questions**

A2. What is your view on the proposal in paragraphs 2.2 (b) to (d) requiring a licensed PMC to have at least one director (for PMC established under the Companies Ordinance), partner or sole proprietor holding a PMP (Tier 1) licence?

- A3. What is your view on the proposal in paragraph 2.2 (e) limiting a director, partner or sole proprietor with a PMP (Tier 1) licence acting in the capacity set out in paragraphs 2.2 (b) to (d) to manage no more than six PMCs?
- A4. What is your view on the proposal in paragraph 2.2 (f) that each PMC, regardless of the number of flats or area of the property under its management, and regardless of whether it is managing any property or not (e.g. whether it is newly established without managing any property), must engage at least two licensed PMPs on a full-time basis, of whom at least one is holding a PMP (Tier 1) licence (A full-time company director, partner or sole proprietor holding a PMP licence may be taken into account for the purpose of this requirement. Please note footnote 7 on page 14)?
- A5. What is your view on the proposed requirement on the ratio of the minimum number of licensed PMPs engaged by a licensed PMC to the total number of flats and/or area of all properties under its management as stated in paragraph 2.2 (g) (in **Table 2**)?

### 2.3 Other related matters

- (a) There will be no requirement for the amount of minimum registered capital of PMCs.
- (b) The Authority will not, for the purpose of considering the factors (e.g. applicants having been convicted of an offence) to which the Authority must have regard in determining whether a person is suitable to hold a licence in accordance with section 11 of the PMSO, specify details in the subsidiary legislation. If necessary, the Authority will formulate relevant policies which will be promulgated on the Internet to enhance transparency.
- (c) Special arrangement: During the transition period, the Authority may issue PMC licences to PMCs which do not meet the requirements of the minimum number, and/or the ratio, as specified in **Table 1 (II)** and **Table 2**, of licensed PMPs (provisional PMP licence holders can also be taken into account). Nevertheless, licensed PMCs should meet the requirements specified in paragraphs 2.2 (f) and (g) above from the first day after the expiry of the 3-year transition period. Failure in meeting the requirements will be deemed contravention of the licensing criteria. For the transitional arrangements, please see **Table 4** in Chapter 6.

**Question**

A6. What is your view on the proposals on other related matters in paragraph 2.3?

### **3. Licensing conditions for PMCs**

All licensed PMCs are required to comply with the relevant provisions set out in the PMSO and the codes of conduct issued by the Authority. Those who contravene the relevant provisions may be subject to disciplinary actions by the Authority, including having their licences revoked or suspended, and to other sanctions such as reprimand, warning, penalty, etc. The Authority may, by regulation, prescribe the conditions that may be imposed on a licence or renewed licence.

#### **3.1 Relevant provisions set out in PMSO**

Sections 4(b), 6(1) and (4), 8(2), (4), (5) and (6), 9(3), 10(3), 15(1)(f).

#### **3.2 Licensing conditions for PMCs**

- (a) A licence is not transferable. [section 8(4) of the PMSO refers]
- (b) A licensee must comply with the codes of conduct and other guidelines issued by the Authority, failing which the licensee may be deemed to be contravening the licensing conditions (i.e. contravening section 4(b) of the PMSO) and may be subject to disciplinary actions pursuant to section 26 of the PMSO.
- (c) A licensee must display a valid licence or a copy of it in a prominent place in each property under its management.
- (d) A licensee must have the name and licence number of the licensed PMP(s) appointed with responsibilities to manage a property displayed in a prominent place in the property under its management (e.g. outside the management office).
- (e) A licensee must state the licence number clearly and conspicuously on any letter, account, receipt, pamphlet, brochure, advertisement and other documents issued by or on behalf of the licensee.
- (f) A licensee must, upon request in writing by the Authority, return the licence to the Authority for revision or alteration of conditions or addition of new conditions.
- (g) A licensee must submit every year the information and documents (such as financial statement, auditor's report, business registration certificate, etc.) specified by the Authority.
- (h) A licensee must carry on the business of property management services under the name as appeared on the licence.

- (i) For a PMC which is a partnership, if there is any admission or retirement of any partner from the partnership, it must notify the Authority of such change within 31 days, and re-apply for a PMC licence.

**Question**

A7. What is your view on the proposed licensing conditions for PMCs in paragraph 3.2?

**3.3 Other related matters**

- (a) The Authority may impose other special conditions on individual licences when necessary.
- (b) For those who have held PMC licences, when applying for a new licence or renewal of a licence, records of their disciplinary offences, if any, will be considered.
- (c) Application for licence must not be made within a prescribed period (e.g. 12 months) from the occurrence of the following events:
  - (i) the licence has been revoked; or
  - (ii) application for licence has been refused.

However, the Authority may, having regard to the exceptional circumstances of the case, consider such an application.

**Question**

A8. What is your view on the proposals on other related matters in paragraph 3.3?

#### 4. Levels of fees

The Authority is a body corporate established under section 42(1) of the PMSO. It is a self-financing statutory body supported by income generated from licence fees and fixed levy imposed on each conveyance on sale. Through formulating and implementing a licensing regulatory regime and other complementary measures compatible to the situation in Hong Kong, the Authority aims to encourage and assist the property management industry and its practitioners in striving for enhancement in quality and professionalism, so as to provide property owners, occupiers and users with professional property management services, thereby enhancing the quality of the living environment. The licence fees and levies collected are used for its daily operation, supporting the Authority to fulfil its vision and serve the public.

##### 4.1 Relevant provisions set out in PMSO

Sections 9(1)(c) and (2)(b), 10(1)(c), (2)(b), (11)(b) and 12(b), 15(1)(b), (d), (e) and (g), 65.

##### 4.2 Levels of fees (for PMCs and PMPs)

<b>Item</b>	<b>Proposed Fee</b>
(a) Application fee (new issuance and renewal of licence) (i) PMC licence (ii) PMP (Tier 1) licence (iii) PMP (Tier 2) licence	 (i) \$500 (ii) \$100 (iii) \$100
(b) Annual fee for PMC licence (new issuance and renewal of licence)	\$6,000
(c) Annual fee for PMP licence (new issuance and renewal of licence) (i) PMP (Tier 1) licence (ii) PMP (Tier 2) licence	 (i) \$1,200 (ii) \$400
(d) Fee for extension of licence validity (not exceeding 6 months)	Calculated on pro rata basis of the annual fee

Item	Proposed Fee
(e) Fee for copies (copies of the whole or a part of the register, or copies of other documents)	A fixed administrative fee of \$100 for each request, and \$2 per A4 copy and \$4 per A3 copy.
(f) Replacement of licence (due to loss, damage or upon fulfilment of licensing conditions etc.)	\$500
(g) Change of name of licensee (including company name, business name and personal name)	\$500
(h) Replacement of PMP card (due to loss, damage or change of photograph etc.)	\$500

**Question**

A9. What is your view on the proposed levels of fees in paragraph 4.2?

**4.3 Other related matters**

- (a) Application fees are not refundable regardless of the result of the application.
- (b) If the Authority decides not to issue or renew a licence (for reasons including but not limited to an applicant's failure of meeting the requirements or withdrawal of applications prior to issuance or renewal of a licence by the Authority), the paid licence fee will be refunded.
- (c) Applicants must pay the application fee and licence fee (according to the validity period of the licence)<sup>11</sup> upon submission of applications.

**Question**

A10. What is your view on the proposals on other related matters in paragraph 4.3?

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<sup>11</sup> New licences and renewed licences are valid for 36 months (i.e. the maximum period of validity under the PMSO). However, the Authority may issue licences with a validity period of less than 36 months for the particular circumstances of individual applications, and the validity period of the licence shall be determined by the Authority.

## **5. Information and documents required for applications for PMC licences**

The Authority must carefully assess each application for a licence or renewal of a licence. Therefore, applicants are required to provide relevant information and documents upon submission of applications for the Authority to ensure that the applicants meet all the licensing criteria.

### **5.1 Relevant provisions set out in PMSO**

Sections 9(1), 10(1) and (10), 15(1)(a).

### **5.2 Information and documents required for application**

- (a) An application form duly completed and signed with company chop (including a declaration regarding the applicant's suitability to hold a licence <sup>12</sup>);
- (b) Company and business name<sup>13</sup>;
- (c) Contact information;
- (d) Document showing the latest address of the registered office of the company;
- (e) A valid business registration certificate;
- (f) Certified extract of business registration (only for PMCs operating as partnership or sole proprietorship).
- (g) Document showing the company name and number, such as certificate of incorporation;
- (h) Financial information (including the annual financial statements and auditor's reports for the last three years; for newly established companies, relevant financial information such as bank correspondence and correspondence of directors should be submitted);

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<sup>12</sup> Applicants are required to sign a declaration and agree to any further collection and verification of information by the Authority, including but not limited to seeking verification from the police, courts and relevant agencies. In addition, applicants are required to sign the personal information collection statement on the application form to give consent to the collection of the information, and to the Authority's use of the information collected for the purpose of enforcing and complying with the requirements of the PMSO and related uses, such as uploading the information onto the Internet and making it available at the offices of the Authority for public inspection as required by the PMSO.

<sup>13</sup> Applicants must state on the application form whether it is a holding, subsidiary or associated company of any other company.

- (i) Document(s) showing the latest board of directors, particulars of individual directors and information on the directors' suitability to hold a licence;
- (j) Information on the licensed PMPs engaged by the company;
- (k) Information on suitability to hold a licence;
- (l) Information required to be set out in the register<sup>14</sup>;
- (m) Name and address of the owners' organisation of each property for which the PMC provides property management services, and addresses of individual flats for properties without owners' organisations; and
- (n) Other information and documents as may be specified by the Authority.

**Question**

A11. What is your view on the proposed information and documents required for applications for PMC licences in paragraph 5.2?

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<sup>14</sup> Please refer to paragraph 8 for more information about "PMC Register".

## **6. Provision of information to clients by licensed PMCs and manners of provision**

A licensed PMC must prepare the prescribed information in respect of each property for which the PMC provides property management services; and provide its clients with the prescribed information in the prescribed manners. The Authority may, by regulation, prescribe the information and manners.

### **6.1 Relevant provisions set out in PMSO**

Section 16.

### **6.2 Information to be provided and manners of provision relating to conflict of interests**

#### **Information to be provided:**

To the best of the knowledge and belief of the PMC, any conflict between the interests of the PMC and the interests of the clients who have a contractual relationship with the PMC (including but not limited to supplies, goods or services).

#### **Manners of provision:**

- (a) Sending a copy of the prescribed information to the owners' organisation (if any) of the property.
- (b) On request by the clients of the property and on payment of a reasonable copying fee, supplying the clients with a copy of the prescribed information.

### **6.3 Information to be provided and manners of provision relating to contracts**

#### **Information to be provided:**

Contracts relating to the management of the property (including but not limited to supplies, goods or services).

#### **Manners of provision:**

- (a) Sending a copy of the prescribed information to the owners' organisation (if any) of the property.

- (b) On request by the clients of the property and on payment of a reasonable copying fee, supplying the clients with a copy of the prescribed information.

## **6.4 Financial information to be provided and manners of provision**

### **Background:**

- (a) To ensure that licensed PMCs make financial arrangements in a proper and transparent manner, it is proposed that requirements on the transparency of budget preparation, account keeping, and obligations of a licensed PMC after its appointment has ended, etc., be stipulated in the codes of conduct or other guidelines.
- (b) While the requirements stipulated in Schedule 7 to the BMO are inter-related with the proposed requirements for regulating the property management industry as set out below, the purposes for their formulation are different. Schedule 7 to the BMO stipulates that one of the contractual duties of a manager is to undertake proper financial management. Managers failing to discharge financial duties may be subject to civil claims from owners/OCs. As for the regulation of the property management services industry, the proposed requirements aim to provide for the standards (including financial duties) to be complied with by licensed PMCs. Licensed PMCs failing to comply with the requirements may commit a disciplinary offence and may be subject to disciplinary sanctions by the Authority.

### **Information to be provided:**

The financial information to be provided by a licensed PMC in respect of each property for which the PMC provides property management services may include draft budgets, budgets, revised budgets, books, records and accounts, income and expenditure accounts, balance sheets (which must include a detailed breakdown by each income and expenditure item, and must not only give a general figure), financial records and statements, bills, invoices, vouchers, receipts, etc.

### **Manners of provision:**

- (a) For the preparation of the annual financial year budget, a licensed PMC must perform the relevant requirements and duties stipulated in section 1 of Schedule 7 to and other relevant provisions of the BMO.

- (b) For the keeping and auditing of accounts, a licensed PMC must perform the relevant requirements and duties stipulated in section 2 of Schedule 7 to, section 27(1A) and other relevant provisions of the BMO.
- (c) Apart from the income and expenditure account and balance sheet, owners, OCs and management committees of the property may also wish to inspect the bills, invoices, and receipts that a PMC has kept in relation to the property. A licensed PMC must perform the relevant requirements and duties stipulated in section (1A) of Schedule 6 to and other relevant provisions of the BMO, and permit its clients of the property to make the inspection within 31 days after such requests are made.
- (d) For the obligations after termination of appointment, a licensed PMC must perform the relevant requirements and duties stipulated in section 8 of Schedule 7 to and other relevant provisions of the BMO.

**Question**

A12. What is your view on the provision and manners of provision of the proposed information to the clients of the property by a licensed PMC as proposed in paragraphs 6.2 to 6.4?

## **7. Licensed PMCs to notify the Authority of change**

To ensure the Authority has the relevant information of licensed PMCs for continuous monitoring, licensed PMCs must notify the Authority of any changes to the relevant information within the specified time limit.

### **7.1 Relevant provisions set out in PMSO**

Sections 10(10) and 17.

### **7.2 Matters requiring notification of change in writing to the Authority**

- (a) Cessation of the operation of a licensed PMC;
- (b) Appointment or termination of appointment of a director of a licensed PMC;
- (c) Admission or retirement of a partner of a licensed PMC operated by a partnership;
- (d) Engagement or termination of engagement of a licensed PMP (both full-time and part-time) by a licensed PMC;
- (e) Changes in the particulars of a licensed PMC provided in the licence application form, including company name, business name, registered correspondence address, email address, telephone number, fax number and business registration certificate number, etc.;
- (f) Changes in the name and address of the owners' organisation, and, in the absence of an owners' organisation, change in the address information of individual flats of each property for which a licensed PMC provides property management services;
- (g) Changes that have implications on the licensee's compliance with the licensing criteria and licensing conditions (e.g. a partner retiring from or admitting to a licensed PMC operated by a partnership);
- (h) Changes in the property and numbers thereof (including property address, number of flats and area) under the management of a licensed PMC; and
- (i) Commissioning of or by a licensed PMC and the termination of such commissioning.

**Question**

A13. What is your view on the proposals on matters requiring notification of change in writing to the Authority by a licensed PMC in paragraph 7.2?

**7.3 Manner of notification of change in writing to the Authority**

A licensed PMC must:

- (a) notify the Authority of the change in a specified form with relevant supporting documents (if applicable); and
- (b) notify the Authority in writing of the change within 31 days.

**Question**

A14. What is your view on the proposals on the manner of written notification of change to the Authority by a licensed PMC in paragraph 7.3?

## **8. PMC Register**

The PMSO stipulates that the Authority must maintain and make public a PMC register, which must be kept at the offices of the Authority and uploaded onto the Internet for public inspection.

### **8.1 Relevant provisions set out in PMSO**

Sections 12, 13(1)(a), (2), (5) to (8).

### **8.2 Details of the PMC register**

- (a) For the purpose of section 13(2)(a) of the PMSO, “the name and address of the PMC” (i.e. company name, business name and address of the PMC) to be shown, it is proposed that all former company names and business names be included (if there has been any change).
  
- (b) For the purpose of section 13(2)(f) of the PMSO, the number “given in the form of a range” of licensed PMPs employed by the licensed PMC, it is proposed that the “range” be set as follows:
  - (i) 10 or below
  - (ii) 11 to 50
  - (iii) 51 or above
  
- (c) For the purpose of section 13(2)(g) of the PMSO, the number “given in the form of a range” of household units for which property management services are provided by the licensed PMC, it is proposed that the “range” be set as follows:
  - (i) 1,000 units or below
  - (ii) 1,001 to 10,000 units
  - (iii) 10,001 to 40,000 units
  - (iv) 40,001 to 80,000 units
  - (v) 80,001 units or above

- (d) For the purpose of section 13(2)(j) of the PMSO (i.e. any other particulars the Authority considers appropriate), the proposals are as follows:
- (1) Having regard to section 13(2)(g) of the PMSO, the register will contain information “given in the form of a range of area” on non-residential part (including commercial buildings, industrial buildings, car parks, etc.) for which property management services are provided by the licensed PMC, it is proposed that the “range” (in gross floor area) be set as follows:
    - (i) 50,000 m<sup>2</sup> or below
    - (ii) 50,001 to 300,000 m<sup>2</sup>
    - (iii) 300,001 m<sup>2</sup> or above
  - (2) Where a PMC outsources management services of any property under its management to other licensed PMCs, it will be indicated on the register that the PMC “commissioned other licensed PMCs”.

**Question**

A15. What is your view on the details of proposals on the PMC register in paragraph 8.2?

## **Chapter 6 Proposed licensing regime for property management practitioners**

### **1. Licensing criteria for PMPs and consideration of suitable person**

The licensing criteria for PMPs will be set in terms of academic qualifications, professional qualifications and years of work experience. Apart from the licensing criteria, a PMP must also be considered a “suitable person” to hold a PMP licence. The factors for consideration include whether the individual is a mentally disordered person, and whether the person has been convicted of relevant offences, etc. The qualification requirement for a PMP (Tier 1) licence is more stringent than that for a PMP (Tier 2) licence. No person may, without a PMP (Tier 1) licence, use a title that so closely resembles “registered professional property manager”. Similarly, no person may, without a PMP (Tier 2) licence, use a title that so closely resembles “licensed professional property officer”. The two-tier system would help encourage PMPs to pursue professional development and upgrade to the upper tier, while continuing to allow PMPs with lower qualifications to have access to the industry. The Authority has considered the licensing criteria to be prescribed for holding a licence in a holistic manner. Please refer to **Appendix 2** to this Consultation Paper for the examples of PMPs subject to the licensing regime.

#### **1.1 Relevant provisions set out in PMSO**

Sections 8(3), 9(2), 10(2), 11(3), 15(1)(c) and (2)(b); sections 2(3)(a), (4), 5(1)(c) and 5(2) under Schedule 4.

#### **1.2 Licensing criteria for PMPs**

- (a) A PMP (Tier 1) licence or PMP (Tier 2) licence may only be issued to an individual. [section 8(3) of the PMSO refers]
- (b) The minimum age requirement for the applicants for a PMP (Tier 1) licence or PMP (Tier 2) licence is 18.
- (c) Proposed criteria relating to minimum academic qualifications, minimum work experience and professional qualifications are as follows:

**Table 3: Proposed minimum academic qualifications, minimum work experience and professional qualifications for PMPs**

	Licensed PMP (Tier 1)		Licensed PMP (Tier 2)		
<b>(I) Minimum academic qualifications</b>	Degree or equivalent qualification in property management specified by the Authority; or	Other degree or equivalent qualification	Associate degree, diploma or equivalent qualification in property management specified by the Authority; or	Degree or equivalent qualification; or	Other associate degree, diploma or equivalent qualification
<b>(II) Minimum cumulative local work experience in property management</b>	At least three years within the six years immediately before licence application	At least five years within the eight years immediately before licence application	At least two years within the five years immediately before licence application; or At least one year within the four years immediately before licence application (under the supervision of PMP(Tier 1))	At least four years within the eight years immediately before licence application	
<b>(III) Professional qualifications</b>	Member of property management related professional bodies specified by the Authority; or  Member of other equivalent professional bodies as assessed and recognised by the Authority and applicants be subject to professional assessment in relation to property management by the Authority.		N.A.		

## Questions

- B1. What is your view on the proposed licensing criteria for PMPs on the minimum academic qualifications in paragraph 1.2(c) (see **Table 3 (I)**)?
- B2. What is your view on the proposed licensing criteria for PMPs on the minimum cumulative local work experience in property management in paragraph 1.2(c) (see **Table 3 (II)**)?
- B3. What is your view on the proposed licensing criteria for PMPs on professional qualifications in paragraph 1.2(c) (see **Table 3 (III)**)?

### 1.3 Professional bodies and qualifications specified by the Authority

The proposed considerations for the assessment of “property management related professional bodies specified by the Authority” (specified professional bodies) and “equivalent professional bodies as assessed and recognised by the Authority” (recognised professional bodies) by the Authority are as follows:

- (a) The Authority will establish a mechanism for professional bodies to apply by submitting relevant information and supporting documents. Details of the application procedures, assessment mechanism<sup>15</sup> and application fees<sup>16</sup> will be made available on the Authority’s website in due course.
- (b) Specified professional bodies and recognised professional bodies must comply with the relevant requirements under the following circumstances:
  - (i) notify the Authority of any change to the submitted information in any material particular within a specified period (e.g. 2 months);
  - (ii) submit to the Authority relevant information and fees periodically (e.g. every 5 years) for re-assessment of the qualifications; and
  - (iii) be delisted for failing to continue to fulfil the relevant factors for consideration (as set out in 1.3(c) below), and licensed PMPs who satisfy the PMP licensing criterion relating to professional qualifications by virtue of their membership in such professional

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<sup>15</sup> The Authority may engage auditors for auditing at the office(s) of the applicant and/or relevant third-party organisations (e.g. operators of professional development courses).

<sup>16</sup> Application fee is not refundable regardless of the result of the application. Application must not be made again within a specified period (e.g. 12 months) after an application has been refused.

bodies will be subject to the re-consideration of the Authority on their eligibility to continue holding a licence.

- (c) The factors for consideration for the assessment of a professional body may include:
- (i) the relevance of its professional discipline to property management in Hong Kong (including its affairs, objectives and development, etc. which focus on property management in Hong Kong<sup>17</sup>);
  - (ii) membership criteria of the professional body<sup>18</sup>;
  - (iii) mechanism to monitor professional conduct of members of the professional body<sup>19</sup>;
  - (iv) requirements on continuing professional development (CPD) of members of the professional body<sup>20</sup>; and
  - (v) recognition of the professional body<sup>21</sup>.
- (d) Professional bodies satisfying all of the above factors for consideration<sup>22</sup> are eligible to become specified professional bodies; professional bodies whose professional disciplines have less direct relevance to property management but satisfy all other factors for consideration are eligible to become recognised professional bodies.
- (e) For PMP (Tier 1) licence applications, the Authority will only consider membership of specified or recognised professional bodies acquired by virtue of academic qualifications or work experience, etc. (excluding acquisition of membership through other means such as agreement on

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<sup>17</sup> For example, the professional body provides members with professional knowledge and guidelines in property management targeting the characteristics, environment and laws of Hong Kong.

<sup>18</sup> For example, regarding the recruitment of membership mechanism, there are established standards for academic qualifications, work experience, etc., or through interviews, examinations or professional assessment tests, practical work records, etc. as the requirements for admission assessment.

<sup>19</sup> For example, there are regulatory systems with codes of conduct and disciplinary procedures to strictly enforce the regulation and actively promote the integrity of members in a persistent manner.

<sup>20</sup> For example, it has specific requirements for continuing professional training for its members.

<sup>21</sup> For example, the professional body should have established for a certain number of years (not less than 5 years since inception) and a considerable membership, and has provided information on the changes of the number of members in the past.

<sup>22</sup> Where only a certain division (or more than one division) of the professional body satisfies all of the factors for consideration set out in item 1.3(c), it is proposed that only members of such division(s) be deemed to satisfy the specified requirement in relation to professional bodies.

mutual recognition of qualifications) and that such professional bodies have requirements for CPD and codes of conduct.

- (f) When applying for PMP (Tier 1) licences, members of recognised professional bodies with lower relevance to property management will be subject to assessment by the Authority on professional standards of property management in the form of, inter alia, essay writing, examination and/or interview.

### **Question**

B4. What is your view on the proposals on professional bodies and qualifications specified by the Authority in paragraph 1.3?

## **1.4 Academic qualifications specified by the Authority**

Various tertiary institutions, educational institutions and the Vocational Training Council have offered a number of courses on property management. These courses have different modes of teaching (full-time/part-time), duration of study, course objectives, admission criteria and completion assessment system, etc. This paragraph sets out the proposals of the Authority on specified academic qualifications.

- (a) “Specified degree, associate degree or diploma in property management” programmes set out in **Table 3 (I)** must satisfy the following requirements:
- (i) The programmes are offered by self-accrediting operators<sup>23</sup>; or
  - (ii) The programmes are accredited by institutions<sup>24</sup> other than the operators.
- (b) Operators who seek to have their programmes recognised as “specified degree, associate degree or diploma in property management” programmes may make an application to the Authority and pay a fee for accreditation<sup>25</sup>, and give consent to and assist in the conduct of the

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<sup>23</sup> Self-accrediting operators include nine academic institutions in Hong Kong, namely The Chinese University of Hong Kong, the City University of Hong Kong, the Hong Kong Baptist University, The Education University of Hong Kong, The Hong Kong Polytechnic University, The Hong Kong University of Science and Technology, the Lingnan University, The Open University of Hong Kong, and the University of Hong Kong. For details, please refer to Schedule 2 to the Accreditation of Academic and Vocational Qualifications Ordinance (Cap. 592).

<sup>24</sup> For example, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications.

<sup>25</sup> The accreditation fee is not refundable regardless of the result of the application.

assessment of the programmes by the Authority or any programme accreditation agencies commissioned by the Authority. After the programmes are recognised as “specified degree, associate degree or diploma in property management” programmes, the operators are required to comply with the following:

- (i) notify the Authority of any change to the submitted information in any material particular within a specified period (e.g. 2 months); and
  - (ii) submit to the Authority relevant information and pay a fee periodically (e.g. every 5 years) for re-assessment of the programmes.
- (c) Given that some operators of master programmes may accept non-degree property management related programmes as an entry qualification, the Authority may consider accepting such non-degree property management related programmes as “qualifications equivalent to the specified degree in property management” in **Table 3 (I)** subject to the following conditions:
- (i) Operators of these non-degree property management related programmes must confirm that the programmes are equivalent to a degree programme; and/or
  - (ii) Operators accepting the non-degree property management related programmes as fulfilling an entry requirement for a master programme must confirm that the non-degree programmes are equivalent to a degree programme.
- (d) By the same token, the Authority may, applying the principles in item (c) above, consider accepting non-associate degree or non-diploma property management related programmes as “qualifications equivalent to the specified associate degree or diploma in property management” in **Table 3 (I)**.
- (e) The Authority may consider accepting qualifications awarded and recognised or accredited by local or overseas academic institutions or relevant agencies as “other degree(s) or equivalent qualification” or “other associate degree(s), diploma(s) or equivalent qualification” in **Table 3 (I)**, such as qualifications awarded and recognised or accredited by the following institutions:
- (i) Degree-awarding higher education institutions in Hong Kong<sup>26</sup>;

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<sup>26</sup> For relevant information, please visit the website of the Education Bureau <http://www.edb.gov.hk/en/edu-system/postsecondary/local-higher-edu/institutions/index.html>.

- (ii) Institutions offering full-time locally accredited post-secondary programmes in Hong Kong<sup>27</sup>;
  - (iii) Qualification-awarding institutions recognised by governments or agencies<sup>28</sup> outside Hong Kong;
  - (iv) Institutions authorised to award qualifications under the laws of a foreign country/region<sup>29</sup>; or
  - (v) Recognised accreditation agencies<sup>30</sup>.
- (f) Applicants with non-local qualifications may be required to, where the Authority considers it necessary, submit their qualifications to the Hong Kong Council for Accreditation of Academic and Vocational Qualifications for assessment to ascertain that the relevant academic requirements have been met (the assessment fee must be borne by the applicant).

### **Question**

B5. What is your view on the proposals on academic qualifications specified by the Authority in paragraph 1.4?

## **1.5 Other related matters**

This paragraph sets out other proposals of the Authority on the licensing criteria for PMPs.

- (a) Other licensing criteria and licensing conditions:
  - (i) For applicants who are previous holders of PMP licences when applying for a new licence or renewal of a licence, records of disciplinary offences, if any, will be considered;
  - (ii) PMPs must complete a specified number of hours of CPD courses/activities every year; and

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<sup>27</sup> For information on self-financing post-secondary education, please visit the platform provided by the Education Committee at [www.cspe.edu.hk/en/index.html](http://www.cspe.edu.hk/en/index.html).

<sup>28</sup> For example, institutions of higher education approved by the Ministry of Education under the State Council of the People's Republic of China.

<sup>29</sup> For example, degree-awarding institutions approved under Section 214 of the Education Reform Act 1988 of the United Kingdom.

<sup>30</sup> For example, the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, and accreditation agencies recognised by education departments of national governments.

- (iii) PMPs must submit prescribed information and documents to the Authority every year (e.g. valid documentary proof of membership of a professional body).
- (b) For the purpose of specifying the factors to which the Authority must have regard in determining whether a person is suitable to hold a licence in accordance with section 11 of the PMSO, the Authority will formulate policies to be incorporated in the codes of conduct<sup>31</sup> or other guidelines, which will be promulgated on the Authority's website to enhance transparency.
- (c) The approved academic qualifications, courses, professional bodies, and the number of hours of CPD courses/activities, etc. specified/recognized by the Authority will be set out in the relevant guidelines, which will be promulgated on the Authority's website to enhance transparency.

**Question**

B6. What is your view on the proposals on other related matters in paragraph 1.5?

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<sup>31</sup> The Authority will exchange views on the draft codes of conduct with representatives of relevant professional bodies and the industry through consultation or other methods.

## **2. Transitional arrangements**

To facilitate experienced PMPs who do not satisfy the requirements concerning academic qualifications or professional qualifications to transition to the newly established licensing regime, during the transition period, those meeting specified requirements will be granted provisional licences. Upon completion of courses specified by the Authority within the three-year period before the expiry of the provisional licences, and subject to other requirements, they will be granted formal licences from the Authority.

### **2.1 Relevant provisions set out in PMSO**

Schedule 4.

### **2.2 Licensing criteria for provisional PMP**

- (a) A provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence may only be issued to an individual. [section 1(2) of Schedule 4 to the PMSO refers]
- (b) The minimum age requirement for an applicant for a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence is 18.
- (c) Provisional PMP (Tier 1) licence: If the applicant does not meet the minimum academic qualifications requirement for a PMP (Tier 1) licence or is not a member of a property management related professional body specified or recognised by the Authority, the applicant must have at least a total of ten years of cumulative experience in assuming a managerial or supervisory role in local property management services within the 15 years immediately before the commencement of the transition period.
- (d) Provisional PMP (Tier 2) licence: If the applicant does not meet the minimum academic qualifications requirement for a PMP (Tier 2) licence, the applicant must have at least a total of five years of cumulative experience in assuming a managerial or supervisory role in local property management services within the eight years immediately before the commencement of the transition period.
- (e) After acquiring a provisional PMP licence, the licensee is required to attend a specified relevant course within a specified period (i.e. three

years). After completing the courses<sup>32</sup>, the applicant meeting criteria (i) or (ii) below will be exempt from the licensing criteria relating to academic qualifications and/or professional qualifications, but is required to meet other licence renewal or licence issuing requirements (including submitting specified information and documents to the Authority every year, and completing a specified number of hours of CPD courses/activities for each subsequent year):

- (i) a holder of a valid provisional PMP licence at the time of applying for licence renewal; or
- (ii) a previous provisional PMP licence holder applying for a licence within 24 months from the date of expiry of the provisional PMP licence.

### **Questions**

- B7. What is your view on the proposed licensing criteria for provisional PMPs in paragraph 2.2(c) to (d)?
- B8. Regarding the specified courses for provisional PMPs in paragraph 2.2(e), what is your view on the course content, study hours, assessment method (multiple choice questions, short answer questions or case study), etc.?

## **2.3 Other related matters**

- (a) A previous licensee applying for a licence after 24 months from the date of expiry of the licence is required to meet all the licensing criteria (including requirements on academic qualifications and/or professional qualifications).
- (b) The applicant must provide supporting documents for work experience.
- (c) The design of a provisional licence will be the same as that of formal licence with appropriate wording to facilitate identification of it being a provisional licence.

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<sup>32</sup> A holder of a provisional PMP licence may, after completing a specified course and satisfying other requirements, apply to the Authority for replacement of his/her provisional licence with a formal PMP card and PMP licence on payment of relevant fees.

**Question**

B9. What is your view on the proposals on other related matters in paragraph 2.3?

## 2.4 Transitional arrangements

To enable PMCs and PMPs to have sufficient time to transition to the newly established licensing regime smoothly, a three-year transition period will be put in place after the enactment of the subsidiary legislation. For the transitional arrangements, please refer to **Table 4** below.

**Table 4: Transitional arrangements**

Phase <sup>33</sup>	Action
<i>Preparatory Phase</i>	
Before the “commencement date of the transition period”	<p><u>PMCs and PMPs</u></p> <ul style="list-style-type: none"> <li>● The Authority submits subsidiary legislation on the licensing regime to the Legislative Council for negative vetting.</li> <li>● The Legislative Council examines the subsidiary legislation.</li> <li>● The Authority organises publicity and education programmes to facilitate members of the industry and the public to understand the new licensing regime.</li> <li>● The Authority liaises with industry organisations and local tertiary institutions on the preparation for the implementation of the licensing regime.</li> <li>● The Authority can neither issue licence nor take enforcement action.</li> </ul>

<sup>33</sup> “Commencement date of the transition period” refers to the effective date of the subsidiary legislation on licensing regime under the PMSO. “Date of enforcement” refers to the effective date of section 6 of the PMSO.

Phase <sup>33</sup>	Action
<i>Phase 1 of the Transition Period (three years)</i>	
From the “commencement date of the transition period” to the day before the “date of enforcement”	<p data-bbox="576 327 836 360"><u>PMCs and PMPs</u></p> <ul data-bbox="576 387 1390 976" style="list-style-type: none"> <li data-bbox="576 387 1390 465">● The Authority begins to process licence applications.</li> <li data-bbox="576 490 1390 613">● PMCs and PMPs engaging in property management without a licence will not be prosecuted.</li> <li data-bbox="576 638 1390 976">● Licensed PMCs and PMPs are required to comply with the requirements stipulated in the PMSO, codes of conduct and other guidelines issued by the Authority. Those who fail to comply with any such requirements will be subject to disciplinary actions by the Authority, including revoking or suspending licences, and other sanctions such as reprimand, warning, penalty, etc.</li> </ul> <p data-bbox="576 1061 675 1095"><u>PMCs</u></p> <ul data-bbox="576 1122 1390 1585" style="list-style-type: none"> <li data-bbox="576 1122 1390 1585">● Special arrangement: During the transition period, the Authority may issue PMC licences to PMCs which do not meet the requirements of the minimum number, and/or the ratio, as specified in <b>Table 1 (II)</b> and <b>Table 2</b> in Chapter 5, of licensed PMPs (provisional PMP licence holders can also be taken into account). Nevertheless, licensed PMCs should meet the said requirements from the first day after the expiry of the three-year transition period. Failure in meeting the requirements will be deemed contravention of the licensing criteria.</li> </ul> <p data-bbox="576 1671 671 1704"><u>PMPs</u></p> <ul data-bbox="576 1731 1390 1995" style="list-style-type: none"> <li data-bbox="576 1731 1390 1854">● The Authority issues both formal and provisional licences to eligible PMPs (Tier 1 and Tier 2 licences).</li> <li data-bbox="576 1879 1390 1995">● Eligible PMPs may apply for provisional licences before the date of enforcement and be exempted from the licensing requirements relating to</li> </ul>

Phase <sup>33</sup>	Action
	<p>academic and professional qualifications. A provisional licence is valid for three years, and the holders are required to complete a specified course before the expiry of the licence in order to obtain a formal licence.</p>
<b><i>Phase 2 of the Transition Period</i></b>	
<p>3 years from the “date of enforcement”</p>	<p><u>PMCs and PMPs</u></p> <ul style="list-style-type: none"> <li>● During this phase, PMCs and PMPs engaging in property management without a licence will be prosecuted.</li> </ul> <p><u>PMPs</u></p> <ul style="list-style-type: none"> <li>● The Authority issues only formal licences but not provisional licences.</li> </ul>
<p>3 years after the “date of enforcement”</p>	<p><u>PMPs</u></p> <ul style="list-style-type: none"> <li>● All provisional licences will have expired by the beginning of this period.</li> <li>● All PMPs are required to hold formal licences for engaging in property management.</li> </ul>

**Question**

B10. What is your view on the proposed transitional arrangements in paragraph 2.4 (see **Table 4**)?

### **3. Licensing conditions for PMPs**

All licensed PMPs (including holders of provisional PMP licences) are required to comply with the requirements set out in the PMSO and the codes of conduct issued by the Authority. Those who contravene the requirements may be subject to disciplinary actions by the Authority, including having their licences revoked or suspended, and to other sanctions such as reprimand, warning, penalty, etc. The Authority may, by regulation, prescribe the conditions that may be imposed on a licence or renewed licence.

#### **3.1 Relevant provisions set out in PMSO**

Sections 4(b), 6(2) to (4), 8(3) to (6), 9(3), 10(3), 15(1)(f); sections 1(2) to (5), 2(5) and 5(1)(e) under Schedule 4.

#### **3.2 Licensing conditions for PMPs**

- (a) A licence is not transferable. [section 8(4) and section 1(3) under Schedule 4 to the PMSO refers]
- (b) A licensee must comply with the codes of conduct and other guidelines issued by the Authority, failing which the licensee may be deemed to have contravened the licensing conditions (i.e. contravening section 4 of the PMSO) and is subject to disciplinary actions in accordance with section 26 of the PMSO.
- (c) A licensee must have his/her name and licence number displayed in a prominent place in the property under his/her management (e.g. outside the management office).
- (d) A licensee must carry the PMP card (credit card size) issued by the Authority while on duty.
- (e) A licensee must state the licence number clearly and conspicuously on any name card, letter, account, receipt, pamphlet, brochure, advertisement and other documents (including in electronic form) issued or on behalf of the licensee.
- (f) A licensee must, upon request in writing by the Authority, return the licence to the Authority for revision or alteration of any existing conditions or addition of new conditions.
- (g) A licensee must submit to the Authority the prescribed documents (such as proof of employment at a PMC (if any), proof of CPD and information on suitability to hold a licence) every year.

**Question**

B11. What is your view on the proposed licensing conditions for PMPs in paragraph 3.2?

**3.3 Other related matters**

- (a) The Authority may impose other special conditions on individual licences when necessary.
- (b) Licensing conditions to be imposed in renewal of a licence:
  - (i) For applicants who have held PMP licences when applying for a new licence or renewal of a licence, records of their disciplinary offences, if any, will be considered;
  - (ii) PMPs must complete a specified number of hours of CPD courses/activities every year;
  - (iii) For applicants set out in (1) or (2) below who has failed to complete the specified number of hours of CPD courses/activities during the previous licensing period, the Authority will only consider their applications for renewal or issuance of licences if they have subsequently completed a specified number of hours of CPD courses/activities within the period specified by the Authority:
    - (1) a holder of a valid PMP licence at the time of applying for licence renewal; or
    - (2) a previous holder of a PMP licence making a new application within a specified period upon the expiry of the licence (e.g. 12 months);
- (c) Application for a licence must not be made within the specified period (e.g. 12 months) from the occurrence of the following events:
  - (i) the licence has been revoked; or
  - (ii) application for issuance or renewal of licence has been refused.However, the Authority may, having regard to the exceptional circumstances of the case, consider such an application.
- (d) Applicants not engaged in property management may apply for a licence; however, they must indicate such an intention in the applications and notify the Authority of any subsequent change.

**Question**

B12. What is your view on the proposals on other related matters in paragraph 3.3?

#### **4. Levels of fees (the same as paragraph 4 of Chapter 5)**

The Authority is a body corporate established under section 42(1) of the PMSO. It is a self-financing statutory body supported by income generated from licence fees and fixed levy imposed on each conveyance on sale. Through formulating and implementing a licensing regulatory regime and other complementary measures compatible to the situation in Hong Kong, the Authority aims to encourage and assist the property management industry and its practitioners in striving for enhancement in quality and professionalism, so as to provide property owners, occupiers and users with professional property management services, thereby enhancing the living environment quality. The licence fees and levies collected are used for its daily operation, supporting the Authority to fulfil its vision and serve the public. All licensed PMPs (including holders of provisional PMP licences) must comply with each proposal in this paragraph.

##### **4.1 Relevant provisions set out in PMSO**

Sections 9(1)(c) and (2)(b), 10(1)(c), (2)(b) and (11)(b), 15(1)(b), (d), (e) and (g), 65; sections 2(2)(d) and (3)(b), 5(1)(b) and (d) under Schedule 4.

##### **4.2 Levels of fees (for PMCs and PMPs)**

<b>Item</b>	<b>Proposed Fee</b>
(a) Application fee (new issuance and renewal of licence)	
(i) PMC licence	(i) \$500
(ii) PMP (Tier 1) licence	(ii) \$100
(iii) PMP (Tier 2) licence	(iii) \$100
(b) Annual fee for PMC licence (new issuance and renewal of licence)	\$6,000
(c) Annual fee for PMP licence (new issuance and renewal of licence)	
(i) PMP (Tier 1) licence	(i) \$1,200
(ii) PMP (Tier 2) licence	(ii) \$400

<b>Item</b>	<b>Proposed Fee</b>
(d) Fee for extension of licence validity (not exceeding 6 months)	Calculated on pro rata basis of the annual fee
(e) Fee for copies (copies of the whole or a part of the register, or copies of other documents)	A fixed administrative fee of \$100 for each request, and \$2 per A4 copy and \$4 per A3 copy.
(f) Replacement of licence (due to loss, damage, or upon fulfilment of licensing conditions etc.)	\$500
(g) Change of name of licensee (including company name, business name and personal name)	\$500
(h) Replacement of PMP card (due to loss, damage or change of photograph etc.)	\$500

**Question**

B13. What is your view on the proposed levels of fees in paragraph 4.2?

**4.3 Other related matters**

- (a) Application fees are not refundable regardless of the result of the application.
- (b) If the Authority decides not to issue or renew a licence (for reasons including but not limited to an applicant's failure of meeting the requirements or withdrawal of applications prior to issuance or renewal of a licence by the Authority), the paid licence fee will be refunded.
- (c) Applicants must pay the application fee and licence fee (according to the validity period of the licence)<sup>34</sup> upon submission of applications.

**Question**

B14. What is your view on the proposals on other related matters in paragraph 4.3?

<sup>34</sup> New licences and renewed licences are valid for 36 months (i.e. the maximum period of validity under the PMSO). However, the Authority may issue licences with a validity period of less than 36 months for the particular circumstances of individual applications, and the validity period of the licence shall be determined by the Authority.

## **5. Information and documents required for applications for PMP licences**

The Authority must carefully assess each application for a licence or renewal of a licence. Therefore, applicants are required to provide relevant information and documents upon submission of applications for the Authority to ensure that the applicants meet all the licensing criteria. All applicants and licensees (including holders of provisional PMP licences) must comply with each proposal in this paragraph.

### **5.1 Relevant provisions set out in PMSO**

Sections 9(1), 10(1), 15(1)(a); sections 2(2)(c) and (d), 5(1)(a) under Schedule 4.

### **5.2 Information and documents required for applications**

- (a) An application form duly completed and signed (including a declaration stating whether the applicant is suitable to hold a licence<sup>35</sup>);
- (b) Name, sex and date of birth;
- (c) Identity document or travel document;
- (d) Contact information (including telephone number, address, email address);
- (e) Document showing the latest registered address;
- (f) Academic qualifications<sup>36</sup>;
- (g) Professional qualifications;
- (h) Information of applicant as a director, controlling shareholder or controller of a PMC;

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<sup>35</sup> Applicants are required to sign a declaration and agree to any further collection and verification of information by the Authority, including but not limited to seeking verification from the police, courts and relevant agencies. In addition, applicants are required to sign the personal information collection statement on the application form to give consent to the collection of the information, and to the Authority's use of the information collected for the purpose of enforcing and complying with the requirements of the PMSO and related uses, such as uploading the information onto the Internet and making it available at the offices of the Authority for public inspection as required by the PMSO.

<sup>36</sup> Documents such as certificates of graduation or attendance issued by the awarding institutions to support that the applicant has graduated from or studied at the institutions.

- (i) Relevant work experience in property management<sup>37</sup>;
- (j) Information on suitability to hold a licence<sup>38</sup>;
- (k) Information required by the register;
- (l) A photograph (conforming with relevant photograph specifications);  
and
- (m) Other information and documents as may be specified by the Authority.

**Question**

B15. What is your view on the proposed information and documents required for applications for PMP licences in paragraph 5.2?

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<sup>37</sup> The Authority will formulate guidance on application and specify therein the information to be contained in the supporting documents and points to note. The Authority will determine whether the work experiences of applicants is related to property management in accordance with the categories of services prescribed in Schedule 1 to the PMSO.

<sup>38</sup> Applicants must disclose in their application forms information concerning the considerations of whether they are “suitable person” in section 11 of the PMSO (e.g. whether they have been convicted of a disciplinary offence or a criminal offence under the PMSO) and submit relevant information, if any.

## **6. Licensed PMPs to notify the Authority of change**

To ensure the Authority has the relevant information of licensed PMPs for continuous monitoring, licensed PMPs (including holders of provisional PMP licences) must notify the Authority of any changes to the relevant information within the specified time limit.

### **6.1 Relevant provisions set out in PMSO**

Section 17.

### **6.2 Matters requiring notification of change in writing to the Authority**

- (a) Cessation of a licensed PMP's engagement in the property management industry;
- (b) Appointment or termination of appointment of a licensed PMP by a PMC;
- (c) Appointment or termination of appointment of a licensed PMP as a director of a PMC;
- (d) Admission or retirement of a licensed PMP as a partner of a licensed PMC operated by partnership;
- (e) Changes in basic personal particulars of a licensee provided in the licence application form, including name, registered correspondence address, email address, telephone number and fax number, etc.; and
- (f) Changes that have implications on the licensee's compliance with the licensing criteria and licensing conditions (e.g. ceasing to be a member of the professional body as declared in an application for licence accepted by the Authority.)

#### **Question**

B16. What is your view on the proposals on matters requiring written notification of change to the Authority by a licensed PMP in paragraph 6.2?

### **6.3 Manner of notification of change in writing to the Authority**

A licensed PMP must:

- (a) notify the Authority of the change in a specified form with relevant supporting documents (if applicable); and
- (b) notify the Authority in writing of the change within 31 days.

**Question**

B17. What is your view on the proposals on the manner of written notification of change to the Authority by a licensed PMP in paragraph 6.3?

## **Chapter 7 Implementation timetable**

1. Following the conclusion of this public consultation, the Authority will carefully collate and analyse the views collected, and refine the proposed licensing regime for PMCs and PMPs if necessary, with a view to establishing a licensing regime which may balance the interests of various stakeholders and be conducive to the continuous professional development of the property management industry in Hong Kong.
2. The licensing regime for the property management industry will be formally implemented upon the completion of the vetting procedures by the Legislative Council and the putting in place of the corresponding supporting measures (e.g. disciplinary inquiry and appeal mechanism, codes of conduct, CPD courses/activities, licensing application procedures) by the Authority. There will be a three-year transition period after the implementation of the licensing regime. Upon the expiry of the transition period, PMCs and PMPs without licences will be prohibited from continuing to provide services in the property management industry.

## **Chapter 8 Views sought**

1. There will be a six-week public consultation period to gauge views on the proposals set out in this Consultation Paper. All are welcomed to express their views on the proposals. Please provide your written comments to the Authority on or before 2 January 2019. For details, please refer to the Introduction in Chapter 1 of this Consultation Paper.

## **Appendix 1 Extracts of provisions of Property Management Services Ordinance (Cap. 626) in relation to licensing**

### **Part 1 Preliminary**

#### **3. Property management services**

- (1) The Authority may, by regulation, prescribe a service falling within a category of services set out in Schedule 1 as a property management service.
- (2) In the regulation—
  - (a) the services must be prescribed with reference to the categories of services set out in Schedule 1; and
  - (b) more than one type of service may be prescribed under a category.

#### **4. Disciplinary offences**

For the purposes of this Ordinance, a licensee commits a disciplinary offence if—

- (a) the licensee commits misconduct or neglect in a professional respect;
- (b) the licensee contravenes a condition imposed on the licensee's licence;
- (c) the licensee contravenes a requirement in this Ordinance that is applicable to the licensee;
- (d) the licensee, without reasonable excuse, fails to—
  - (i) comply with a requirement of a notice under section 21(2); or
  - (ii) comply with a summons under section 25(1)(b) or 37(1)(b);
- (e) the court determines that the licensee has contravened a requirement in the Building Management Ordinance (Cap. 344) or a deed of mutual covenant that is applicable to the licensee; or
- (f) the licensee is convicted in Hong Kong or elsewhere of a criminal offence that—
  - (i) may bring the profession of property management services into disrepute; and
  - (ii) is punishable with imprisonment (whether or not the licensee was sentenced to imprisonment).

## **Part 2 Prohibition**

### **6. Prohibition of unlicensed activities**

- (1) No person may, without a PMC licence—
  - (a) act as a property management company; or
  - (b) claim to be a licensed PMC.
- (2) No person may, without a PMP (Tier 1) licence—
  - (a) act as a property management practitioner;
  - (b) claim to be a licensed PMP (Tier 1); or
  - (c) describe himself or herself as a “registered professional property manager” or “註冊專業物業經理” or use a title in any language that so closely resembles “registered professional property manager” or “註冊專業物業經理” as to be capable of deceiving or misleading any person into believing that the person is a licensed PMP (Tier 1).
- (3) No person may, without a PMP (Tier 2) licence—
  - (a) act as a property management practitioner;
  - (b) claim to be a licensed PMP (Tier 2); or
  - (c) describe himself or herself as a “licensed property management officer” or “持牌物業管理主任” or use a title in any language that so closely resembles “licensed property management officer” or “持牌物業管理主任” as to be capable of deceiving or misleading any person into believing that the person is a licensed PMP (Tier 2).
- (4) A person who contravenes subsection (1), (2) or (3) commits an offence and is liable—
  - (a) on conviction on indictment to a fine of \$500,000 and to imprisonment for 2 years; or
  - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

### **7. Exceptions to section 6**

- (1) Section 6(1)(a), (2)(a) or (3)(a) does not apply to—
  - (a) the Hong Kong Housing Authority or an employee of that Authority acting in that capacity; or

- (b) a public officer acting in that capacity.
- (2) Section 6(1)(a), (2)(a) or (3)(a) does not apply to a property management company whose business does not involve the provision of property management services that—
  - (a) fall within more than one category of services in the regulation made under section 3(1); or
  - (b) (if there is more than one type of service under a category of services in the regulation made under section 3(1)) fall within more than one type of service.
- (3) Section 6(1)(a), (2)(a) or (3)(a) does not prohibit a person from providing a property outside Hong Kong with property management services.
- (4) Section 6(1)(a), (2)(a) or (3)(a) does not prohibit a person from providing advisory services relating to property management services without consideration.
- (5) Subject to subsections (7) and (8), section 6(1)(a), (2)(a) or (3)(a) does not prohibit the owners' organization of a property from providing the property with property management services if no property management company or property management practitioner is engaged by the organization for the purpose.
- (6) Subject to subsection (8), section 6(1)(a), (2)(a) or (3)(a) does not prohibit one or more of the owners of a property from providing the property with property management services if—
  - (a) no property management company or property management practitioner is engaged by the owner or owners for the purpose; and
  - (b) the owner or owners providing the property management services—
    - (i) is or are individuals; and
    - (ii) does not or do not provide another property with property management services for profit.
- (7) If the owners' organization of a property, in order to provide the property with property management services, ceases

to engage a property management company or property management practitioner, subsection (5) does not apply unless the cessation is approved by a resolution passed at a general meeting of the organization.

- (8) Subsections (5) and (6) do not apply to a property that contains 1 500 or more than 1 500 flats as defined by section 2 of the Building Management Ordinance (Cap. 344).
- (9) Section 6(2) does not apply to the holder of a provisional PMP (Tier 1) licence issued under section 1(1)(a) of Schedule 4.
- (10) Section 6(3) does not apply to the holder of a provisional PMP (Tier 2) licence issued under section 1(1)(b) of Schedule 4.

### **Part 3 Licensing of Property Management Companies and Property Management Practitioners**

#### **8. Property management services licences**

- (1) The Authority may, on application, issue—
  - (a) a PMC licence;
  - (b) a PMP (Tier 1) licence; or
  - (c) a PMP (Tier 2) licence.
- (2) A PMC licence may only be issued to a company, a partnership or an individual carrying on business as a sole proprietor.
- (3) A PMP (Tier 1) licence or PMP (Tier 2) licence may only be issued to an individual.
- (4) A licence is not transferable.
- (5) A licence remains in force until the end of the period specified in it.
- (6) The period specified under subsection (5) must not be longer than 36 months beginning on the date on which the licence is issued.

#### **9. Application for licences**

- (1) An application for a licence—
  - (a) must be made to the Authority in the specified form;
  - (b) must contain the prescribed information; and
  - (c) must be accompanied by the prescribed documents and application fee.
- (2) The Authority must not issue a licence unless—
  - (a) the Authority is satisfied that—
    - (i) the applicant is a suitable person to hold the licence; and
    - (ii) the applicant meets all the prescribed criteria for holding the licence; and
  - (b) the applicant has paid the prescribed fee for the issue of the licence.
- (3) The Authority may impose on a licence those conditions, including prescribed conditions, that it considers appropriate.
- (4) If the Authority decides not to issue a licence, it must, by notice in writing given to the applicant within 21 days beginning on the date on which the decision is made—
  - (a) notify the applicant of the decision; and
  - (b) give reasons for the decision.

## **10. Application for renewal of licences**

- (1) An application for the renewal of a licence—
  - (a) must be made to the Authority in the specified form—
    - (i) for a PMC licence, within 6 to 9 months before the expiry of the licence; or
    - (ii) for a PMP (Tier 1) licence or PMP (Tier 2) licence, within 3 to 6 months before the expiry of the licence;
  - (b) must contain the prescribed information; and
  - (c) must be accompanied by the prescribed documents and application fee.
- (2) The Authority must not renew a licence unless—
  - (a) the Authority is satisfied that—
    - (i) the applicant is a suitable person to hold the licence; and
    - (ii) the applicant meets all the prescribed criteria for holding the licence; and

- (b) the applicant has paid the prescribed fee for the issue of the renewed licence.
- (3) The Authority may impose on a renewed licence those conditions, including prescribed conditions, that it considers appropriate.
- (4) A renewed licence is not transferable.
- (5) A renewed licence remains in force until the end of the period specified in it.
- (6) The period specified under subsection (5) must not be longer than 36 months beginning on the date on which the renewed licence is issued.
- (7) A licence may be renewed more than once.
- (8) Subject to subsection (9), a licence in respect of which an application for renewal is made under this section and which, but for this subsection, would have expired before the determination of the application remains in force until the determination by the Authority of the application.
- (9) Subsection (8) does not apply if—
  - (a) the application is made after the period specified in subsection (1)(a)(i) or (ii);
  - (b) the application is withdrawn; or
  - (c) the licence is revoked or suspended under section 26.
- (10) If a licensed PMC does not apply for the renewal of the PMC's licence within the period specified in subsection (1)(a)(i), the Authority must, by notice in writing given to the owners or owners' organizations of the property for which the PMC provides property management services, inform the owners or organizations of that fact.
- (11) If an application for the renewal of a licence is made after the period specified in subsection (1)(a)(i) or (ii) but before the expiry of the licence, the Authority—
  - (a) may accept the application if the Authority considers that there is a good reason for doing so; and
  - (b) may extend the validity of the licence for a period not exceeding 6 months, subject to any prescribed fees the Authority may charge and any conditions the Authority may impose.
- (12) If the Authority decides not to renew a licence—
  - (a) the Authority must, by notice in writing given to the applicant within 21 days beginning on the date on which

the decision is made—

- (i) notify the applicant of the decision; and
  - (ii) give reasons for the decision; and
- (b) for a PMC licence, the Authority may extend the validity of the licence for a period not exceeding 6 months, subject to any prescribed fees the Authority may charge and any conditions the Authority may impose.

## **11. Persons suitable to hold licences for sections 9 and 10**

(1) In this section—

*officer* (高級人員) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622).

(2) For the purposes of sections 9(2)(a)(i) and 10(2)(a)(i), in determining whether a person is a suitable person to hold a PMC licence, the Authority must have regard to the following—

(a) for an individual—

- (i) whether the individual is an undischarged bankrupt;
- (ii) whether, in the 5 years before the relevant application, the individual has entered into a composition or scheme of arrangement with the individual's creditors;
- (iii) whether the individual is a mentally disordered person, or a patient, within the meaning of section 2(1) of the Mental Health Ordinance (Cap. 136);
- (iv) whether the individual has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
- (v) whether the individual has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
- (vi) whether the individual is or was the sole proprietor of a property management company whose application for a PMC licence has been

- refused or whose PMC licence has been revoked or suspended;
- (vii) whether the individual is or was an officer of, or a partner in, a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended;
- (b) for a company—
- (i) whether the company is in liquidation or is the subject of a winding-up order;
- (ii) whether a receiver has been appointed in relation to the company;
- (iii) whether, in the 5 years before the relevant application, the company has entered into a composition or scheme of arrangement with its creditors;
- (iv) whether the company has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
- (v) whether the company has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
- (vi) whether every director of the company is a suitable person to be associated with the company's business of providing property management services;
- (c) for a partnership—
- (i) whether any partner in the partnership is an undischarged bankrupt;
- (ii) whether any partner in the partnership is in liquidation or is the subject of a winding-up order;
- (iii) whether a receiver has been appointed in relation to any partner in the partnership;
- (iv) whether, in the 5 years before the relevant application, any partner in the partnership

- has entered into a composition or scheme of arrangement with the partner's creditors;
- (v) whether any partner in the partnership is a mentally disordered person, or a patient, within the meaning of section 2(1) of the Mental Health Ordinance (Cap. 136);
  - (vi) whether any partner in the partnership has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
  - (vii) whether any partner in the partnership has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
  - (viii) whether any partner in the partnership is or was the sole proprietor of a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended;
  - (ix) whether any partner in the partnership is or was an officer of, or a partner in, a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended.
- (3) For the purposes of sections 9(2)(a)(i) and 10(2)(a)(i), in determining whether an individual is a suitable person to hold a PMP (Tier 1) licence or PMP (Tier 2) licence, the Authority must have regard to the following—
- (a) whether the individual is a mentally disordered person, or a patient, within the meaning of section 2(1) of the Mental Health Ordinance (Cap. 136);
  - (b) whether the individual has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
  - (c) whether the individual has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
  - (d) whether the individual is or was the sole proprietor of a property management company whose application for a PMC licence has been refused or

- whose PMC licence has been revoked or suspended;
- (e) whether the individual is or was an officer of, or a partner in, a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended.
- (4) For the purposes of subsection (2)(b)(vi), in determining whether a director of a company is a suitable person to be associated with the company's business of providing property management services, the Authority must have regard to the following—
- (a) for a director that is an individual—
- (i) whether the director is an undischarged bankrupt;
  - (ii) whether, in the 5 years before the relevant application, the director has entered into a composition or scheme of arrangement with the director's creditors;
  - (iii) whether the director is a mentally disordered person, or a patient, within the meaning of section 2(1) of the Mental Health Ordinance (Cap. 136);
  - (iv) whether the director has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
  - (v) whether the director has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
  - (vi) whether the director is or was the sole proprietor of a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended;
  - (vii) whether the director is or was an officer of, or a partner in, a property management company whose application for a PMC licence has been

refused or whose PMC licence has been revoked or suspended;

(b) for a director that is a company—

- (i) whether the director is in liquidation or is the subject of a winding-up order;
- (ii) whether a receiver has been appointed in relation to the director;
- (iii) whether, in the 5 years before the relevant application, the director has entered into a composition or scheme of arrangement with the director's creditors;
- (iv) whether the director has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
- (v) whether the director has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
- (vi) whether the director is or was an officer of another company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended.

## **12. Publication of list of licensees**

- (1) The Authority must, from time to time by notice published in the Gazette, publish a list of licensees (including their names and licence numbers).
- (2) A notice published under subsection (1) is not subsidiary legislation.

## **13. Registers**

- (1) The Authority must keep—
  - (a) a PMC register;
  - (b) a PMP (Tier 1) register; and
  - (c) a PMP (Tier 2) register.
- (2) The PMC register must, for each licensed PMC, contain—

- (a) the name and address of the PMC;
  - (b) if the PMC is incorporated under the Companies Ordinance (Cap. 622) or a former Companies Ordinance, the date of the incorporation of the PMC;
  - (c) if the PMC is neither incorporated under the Companies Ordinance (Cap. 622) nor incorporated under a former Companies Ordinance, the date on which the PMC commences business, as stated in the PMC's application for registration under the Business Registration Ordinance (Cap. 310);
  - (d) the PMC's licence number;
  - (e) the period for which the PMC's licence is issued and, if applicable—
    - (i) the period for which the licence is renewed; and
    - (ii) the date on which the licence is revoked or suspended;
  - (f) the number (given in the form of a range) of licensed PMPs employed by the PMC;
  - (g) the number (given in the form of a range) of household units—
    - (i) that, under one or more deeds of mutual covenant, may be used for residential purposes; and
    - (ii) for which property management services are provided by the PMC;
  - (h) if the PMC is a company, the conviction record of the PMC (if any) in relation to disciplinary offences or criminal offences under this Ordinance;
  - (i) if the PMC is not a company, subject to section 2 of the Rehabilitation of Offenders Ordinance (Cap. 297), the conviction record of the PMC (if any) in relation to disciplinary offences or criminal offences under this Ordinance; and
  - (j) any other particulars the Authority considers appropriate.
- (3) The PMP (Tier 1) register must, for each licensed PMP (Tier 1), contain—

- (a) the name of the PMP;
  - (b) the PMP's licence number;
  - (c) the period for which the PMP's licence is issued and, if applicable—
    - (i) the period for which the licence is renewed; and
    - (ii) the date on which the licence is revoked or suspended;
  - (d) a statement as to whether or not the PMP is a director of a licensed PMC;
  - (e) subject to section 2 of the Rehabilitation of Offenders Ordinance (Cap. 297), the conviction record of the PMP (if any) in relation to disciplinary offences or criminal offences under this Ordinance; and
  - (f) any other particulars the Authority considers appropriate.
- (4) The PMP (Tier 2) register must, for each licensed PMP (Tier 2), contain—
- (a) the name of the PMP;
  - (b) the PMP's licence number;
  - (c) the period for which the PMP's licence is issued and, if applicable—
    - (i) the period for which the licence is renewed; and
    - (ii) the date on which the licence is revoked or suspended;
  - (d) a statement as to whether or not the PMP is a director of a licensed PMC;
  - (e) subject to section 2 of the Rehabilitation of Offenders Ordinance (Cap. 297), the conviction record of the PMP (if any) in relation to disciplinary offences or criminal offences under this Ordinance; and
  - (f) any other particulars the Authority considers appropriate.
- (5) For the purpose specified in subsection (6), the Authority must make the PMC register, PMP (Tier 1) register and PMP (Tier 2) register available for inspection free of charge—
- (a) at the offices of the Authority during ordinary business hours;

- (b) through the Internet or a similar electronic network; and
  - (c) in any other manner the Authority considers appropriate.
- (6) The purpose is to enable a member of the public to ascertain the following—
- (a) whether a business entity is a licensed PMC;
  - (b) whether an individual is a licensed PMP;
  - (c) the particulars of a licensed PMC or licensed PMP.
- (7) For subsection (5)(b), the contents of the PMC register, PMP (Tier 1) register or PMP (Tier 2) register available on the Internet or similar electronic network must not include particulars of a record mentioned in subsection (2)(i), (3)(e) or (4)(e).
- (8) A person may, on payment of the prescribed fee, obtain from the Authority a copy of the whole or a part of a register kept by the Authority under subsection (2) (except paragraph (i)), subsection (3) (except paragraph (e)) or subsection (4) (except paragraph (e)).

#### **14. Offence relating to application for licences or renewal of licences**

- (1) A person commits an offence if—
- (a) the person, in connection with an application for a licence or the renewal of a licence, provides any information or document to the Authority that is false or misleading in a material particular; and
  - (b) the person knows that, or is reckless as to whether, the information or document is false or misleading in a material particular.
- (2) A person who commits an offence under subsection (1) is liable—
- (a) on conviction on indictment to a fine of \$200,000 and to imprisonment for 1 year; or
  - (b) on summary conviction to a fine at level 6 and to imprisonment for 6 months.

## 15. Regulations for Part 3

- (1) The Authority may, by regulation, prescribe—
  - (a) the information to be contained in, and the documents to accompany, an application for a licence or the renewal of a licence;
  - (b) the fees payable in an application for a licence or the renewal of a licence;
  - (c) the criteria for holding a licence;
  - (d) the fees payable for the issue of a licence or renewed licence;
  - (e) the fees payable for the extension of the validity of a licence under section 10(11)(b) or (12)(b);
  - (f) the conditions that may be imposed on a licence or renewed licence; and
  - (g) the fees payable for a copy under section 13(8).
- (2) The criteria mentioned in subsection (1)(c)—
  - (a) for a PMC licence, may include a criterion that the person has a sufficient number of directors and employees who are licensed PMPs; and
  - (b) for a PMP (Tier 1) licence or PMP (Tier 2) licence—
    - (i) may include criteria relating to the person's academic qualifications, professional qualifications and relevant work experience; and
    - (ii) may impose more stringent requirements for a PMP (Tier 1) licence.

## Part 4 Duties of Licensees

### 16. Licensed PMC's duty to provide information to clients

- (1) In this section—

*client* (客户), in relation to a property for which a licensed PMC provides property management services, means—

  - (a) the owners' organization of the property; and
  - (b) the owners of the property who pay or are liable to pay the management expenses in respect of the services.
- (2) A licensed PMC must—
  - (a) prepare the prescribed information in respect of

- each property for which the PMC provides property management services; and
- (b) provide the PMC's clients in each property for which the PMC provides property management services with the prescribed information relating to the property in the prescribed manners.
- (3) The Authority may, by regulation, prescribe the information and manners for the purposes of subsection (2).
  - (4) The regulation may prescribe different manners for different prescribed information.
  - (5) The prescribed information may include any of the following information that relates to the property for which a licensed PMC provides property management services—
    - (a) the PMC's draft budget, budget, revised budget, books, records and accounts;
    - (b) the PMC's income and expenditure account and balance sheet;
    - (c) the PMC's financial records and statement;
    - (d) any conflict between the interests of the PMC and the interests of the PMC's clients.
  - (6) The prescribed manners in which a licensed PMC must provide the prescribed information relating to the property for which the PMC provides property management services may include—
    - (a) sending a copy of the prescribed information to the owners' organization of the property (if any);
    - (b) displaying a copy of the prescribed information in a prominent place in the property;
    - (c) allowing the PMC's clients in the property to inspect the prescribed information;
    - (d) on request by the PMC's clients in the property and on payment of a reasonable copying fee, supplying the clients with a copy of the prescribed information.

**17. Licensee’s duty to notify change of prescribed matters**

- (1) A licensee must notify the Authority in writing of any change in the prescribed matters in the prescribed manner.
- (2) The Authority may, by regulation, prescribe the matters and manner for the purposes of subsection (1).

**Part 9 Miscellaneous**

**65. Paid fees not refundable**

Fees paid under this Ordinance are not refundable.

**Schedule 1**

**Property Management Services**

Column 1	Column 2
Item	Category of services
1	General management services relating to a property.
2	Management of the environment of a property.
3	Repair, maintenance and improvement of a property.
4	Finance and asset management relating to a property.
5	Facility management relating to a property.
6	Human resources management relating to personnel involved in the management of a property.
7	Legal services relating to the management of a property.

**Schedule 4**

**Transitional Provisions**

**1. Provisional PMP licences**

- (1) The Authority may, on application, issue—

- (a) a provisional PMP (Tier 1) licence; or
  - (b) a provisional PMP (Tier 2) licence.
- (2) A provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence may only be issued to an individual.
- (3) A licence issued under this section is not transferable.
- (4) A licence issued under this section remains in force until the end of the period specified in it.
- (5) The period specified under subsection (4) must not be longer than 36 months beginning on the date on which the licence is issued.

## **2. Application for provisional PMP licences**

- (1) In this section—
- officer* (高級人員) has the meaning given by section 2(1) of the Companies Ordinance (Cap. 622).
- (2) An application for a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence—
- (a) must be made within 36 months beginning on the date on which this section comes into operation;
  - (b) must be made to the Authority in the specified form;
  - (c) must contain the prescribed information; and
  - (d) must be accompanied by the prescribed documents and application fee.
- (3) The Authority must not issue a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence unless—
- (a) the Authority is satisfied that the applicant does not meet all the prescribed criteria for holding a PMP (Tier 1) licence or PMP (Tier 2) licence, but—
    - (i) the applicant is a suitable person to hold the licence for which the applicant applies; and
    - (ii) the applicant meets all the prescribed criteria for holding the licence for which the applicant applies; and
  - (b) the applicant has paid the prescribed fee for the issue of the licence for which the applicant applies.
- (4) For the purposes of subsection (3)(a)(i), in determining

whether the applicant is a suitable person to hold the licence for which the applicant applies, the Authority must have regard to the following—

- (a) whether the applicant is a mentally disordered person, or a patient, within the meaning of section 2(1) of the Mental Health Ordinance (Cap. 136);
  - (b) whether the applicant has been convicted of a criminal offence (other than an offence under this Ordinance) involving fraud or dishonesty;
  - (c) whether the applicant has been convicted of a disciplinary offence or a criminal offence under this Ordinance;
  - (d) whether the applicant is or was the sole proprietor of a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended;
  - (e) whether the applicant is or was an officer of, or a partner in, a property management company whose application for a PMC licence has been refused or whose PMC licence has been revoked or suspended.
- (5) The Authority may impose on a licence issued under section 1 of this Schedule those conditions, including prescribed conditions, that it considers appropriate.
- (6) If the Authority decides not to issue a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence, it must, by notice in writing given to the applicant within 21 days beginning on the date on which the decision is made—
- (a) notify the applicant of the decision; and
  - (b) give reasons for the decision.

### **3. Appeal in relation to provisional PMP licences**

- (1) An applicant for a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence who is aggrieved by a decision not to issue the licence may lodge an appeal.
- (2) Part 6 of this Ordinance, with necessary modifications, applies to an appeal under subsection (1) as it applies to an

appeal under that Part.

#### **4. Provisions applicable to holders of provisional PMP licences**

The following provisions, with necessary modifications, apply to the holder of a licence issued under section 1 of this Schedule as they apply to a licensed PMP—

- (a) sections 12 and 13 of this Ordinance;
- (b) Parts 5 and 6 of this Ordinance;
- (c) section 63 of this Ordinance.

#### **5. Regulations for Schedule 4**

- (1) The Authority may, by regulation, prescribe—
  - (a) the information to be contained in, and the documents to accompany, an application for a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence;
  - (b) the fees payable in an application for a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence;
  - (c) the criteria for holding a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence;
  - (d) the fees payable for the issue of a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence; and
  - (e) the conditions that may be imposed on a provisional PMP (Tier 1) licence or provisional PMP (Tier 2) licence.
- (2) The criteria mentioned in subsection (1)(c)—
  - (a) may include criteria relating to the applicant's academic qualifications, professional qualifications and relevant work experience; and
  - (b) may impose more stringent requirements for a provisional PMP (Tier 1) licence.

## **Appendix 2 Examples of PMCs and PMPs subject to the licensing regime**

The examples in this appendix seek to illustrate some of the scenarios under which PMCs and PMPs are required / not required to obtain licences issued by the Authority under the licensing regime of the PSMO. Given the varying modes of operation in the property management industry, the scenarios covered in the appendix are not exhaustive.

### **1. Examples on PMCs**

#### **Example 1:**

**Scenario:** A deed of mutual covenant (DMC) manager outsources to a PMC the management services of a property but monitors the quality and services of the PMC without participating in the direct management of the property. Is the DMC manager required to obtain a PMC licence?

**Answer:** Yes.

According to section 2 of the PMSO, “PMC” means a business entity in the form of a company, partnership or sole proprietorship that provides property management services; and “property management services” mean the services prescribed by the Authority with reference to the categories of services set out in Schedule 1. Therefore, if a DMC manager falls within the definition of “PMC” under the PMSO and is involved in the provision of property management services that fall within more than one category of services in the regulation made under section 3(1) of the PMSO, or fall within more than one type of service (if there is more than one type of service under a category of services in the regulation made under section 3(1) of the PMSO), the DMC manager is required to obtain a licence.

#### **Example 2:**

**Scenario:** Each and every property under the management of a PMC does not have DMCs. Is the PMC required to obtain a PMC licence?

**Answer:** No.

The PMSO delineates its scope of application by defining “property” as “building” under the Building Management Ordinance (Cap. 344). The policy intent is to subject only multi-storey buildings involving shared ownership of common parts and having DMCs to the licensing regime. Given that “property” as defined under the PMSO does not include a

“building” which does not have a DMC, the PMC in this example is not required to obtain a licence.

**Example 3:**

**Scenario:** A charitable organisation provides property management services and is responsible for managing multi-storey buildings with shared ownership and DMCs in effect. Is the charitable organization required to obtain a PMC licence?

**Answer:** Yes.

“PMCs” as defined under the PMSO include non-profit making or charitable organisations. Hence, if a charitable organisation falls within the definition of “PMC” under the PMSO and is involved in the provision of property management services which fall within more than one category of services in the regulation made under section 3(1) of the PMSO or fall within more than one type of service (if there is more than one type of service under a category of services in the regulation made under section 3(1) of the PMSO), the organisation is required to obtain a licence.

**Example 4:**

**Scenario:** A PMC solely provides cleaning and hygiene services for the common parts of a property. Is the PMC required to obtain a licence?

**Answer:** No.

Section 7(2) of the PMSO stipulates that prohibition of unlicensed activities under section 6 does not apply to a PMC whose business does not involve the provision of property management services that fall within more than one category of services in the regulation made under section 3(1); or fall within more than one type of service (if there is more than one type of service under a category of services in the regulation made under section 3(1)). The PMC in this case is not required to obtain a licence.

**Example 5:**

**Scenario:** A PMC does not only provide cleaning and hygiene services for the common parts of a property, but also performs work including plant trimming, landscape design, amenity planting, etc. Is the PMC required to obtain a licence?

**Answer:** Yes.

Schedule 1 to the PMSO sets out seven categories of property management services and the Authority proposes in paragraph 1.2 of Chapter 5 of this Consultation Paper that the second category of services should be further divided into four sub-categories (as detailed in paragraph 1 of Chapter 5 of this Consultation Paper). Section 7 of the PMSO sets out the exceptions that, inter alia, the prohibition does not apply to a PMC whose business does not involve the provision of property management services that fall within more than one category or sub-category of services. As the PMC in this case provides property management services that fall within more than one category and/or sub-category of services, it is required to obtain a licence.

## 2. Examples on PMPs

### **Example 1:**

**Scenario:** Is a senior human resources manager responsible for recruiting staff for a PMC or an accountant responsible for preparing the balance sheet of a PMC required to obtain a PMP licence?

**Answer:** No.

The definition of PMP under the PMSO consists of two major elements: (a) assuming a managerial or supervisory role in a PMC; and (b) in relation to property management services provided by the PMC concerned. Whether an individual is subject to the licensing requirements does not depend on the post title, but rather on whether the work of the individual concerned satisfies both criteria (a) and (b) and hence falls within the definition of PMP. If a senior human resources manager responsible for recruiting staff for a PMC or an accountant responsible for preparing balance sheet of a PMC does not participate in the provision of “property management services” for a property, he/she does not satisfy criterion (b) and is therefore not subject to the licensing regime.

### **Example 2:**

**Scenario:** Is a frontline staff member responsible for cleaning the property managed by a PMC required to obtain a PMP licence?

**Answer:** No.

The definition of PMP under the PMSO consists of two major elements: (a) assuming a managerial or supervisory role in a PMC; and (b) in relation to property management services provided by the PMC concerned. Whether an individual is subject to the licensing requirements does not depend on the post title, but rather on whether the work of the individual concerned satisfies

both criteria (a) and (b) and hence falls within the definition of PMP. For a frontline PMC staff member responsible for cleaning the property managed by a PMC, if he/she does not assume a managerial or supervisory role, he/she does not satisfy criterion (a) and is therefore not subject to the licensing regime.

**Example 3:**

**Scenario:** Is a manager responsible for the maintenance works or a “chief security officer” or “senior security officer” responsible for security matters for a property managed by a PMC required to obtain a PMP licence?

**Answer:** It depends on whether they assume a managerial or supervisory role.

The definition of PMP under the PMSO consists of two major elements: (a) assuming a managerial or supervisory role in a PMC; and (b) in relation to property management services provided by the PMC. Whether an individual is subject to the licensing requirements does not depend on the post title, but rather on whether the work of the individual concerned satisfies both criteria (a) and (b) and hence falls within the definition of PMP. For a manager responsible for the maintenance works or a “chief security officer” or “senior security officer” responsible for property security matters in a PMC, if he/she assumes a managerial or supervisory role, he/she satisfies criteria (a) and (b) and is therefore subject to the licensing regime under the PMSO, and he/she is required to obtain a licence.

- End -