

New liquor licensing facilitation measures benefit hotel business

Hotels in Hong Kong are renowned for providing quality services to hotel guests. Serving alcoholic beverages to guests is an integral part of hotel's catering services. In recent years, the government has stepped up efforts to reform the liquor licensing regime by providing new trade facilitation measures for easier and quicker liquor licence applications, which also caters to the operational needs of the hotel industry. Hotel owners or operators can better understand these new measures and find answers to their questions in mind from the ensuing questions and answers (Q&A).

Reserve Licensee Mechanism

Q: The liquor licences of the restaurant and bar in my hotel are held by employees. If one of these employees leaves the job suddenly, I must apply for new issue or transfer of the liquor licence in order to maintain the liquor-selling business. However, as it takes time to complete the application, there are disruptions to business operation. Has the government provided any new measures to minimize the disruption to the operation of hotel catering services caused by the above situation?

A: The government has implemented the Reserve Licensee Mechanism in March 2017 which allows the business owners of liquor-selling premises of hotels to identify and nominate a suitable person as a reserve licensee during an application for new issue, transfer or renewal of a liquor licence.

Upon sudden departure of the liquor licensee, the reserve licensee can take up the licensee's role shortly which allows the business owner sufficient time to apply for transfer or new issue of the licence, therefore minimizing disruption to business operation.

Transfer of liquor licence without consent of the current licensee

Q: If a liquor licensee refuses to transfer the licence to another person due to dispute with the business owner or whatever reasons, to maintain the liquor-selling business, the business owner of the hotel restaurant or bar will need to apply for new issue of the liquor licence in spite of no change in ownership of the business. This process is more time-consuming than a transfer application because of the time taken for the revocation of the existing licence and local consultation. Is there any business facilitation measures provided by the government to expedite the process of obtaining a liquor licence?

A: Business owners of hotel restaurants or bars can apply for transfer of liquor licences without the consent of the current licensee since July 2017. The business owner should submit all necessary supporting documents, such as a written statement giving reason(s) for failing to obtain the consent of the current licensee, Business Registration Certificate showing the ownership of business, proof showing the current licensee is an employee of the business owner (e.g. employment contract), tenancy agreement of the liquor-licensed premises, or any relevant documents substantiating the application, for consideration by the Liquor Licensing Board. This measure, together with the Reserve Licensee Mechanism, minimizes disruption to business operation of hotel catering services when the liquor licensee suddenly leaves the job.

Submitting electronic applications by using a password

Q: To submit the applications for new issue, renewal or transfer of liquor licences online, the applicant must have a digital signature. If the owner or employee of a hotel restaurant or bar does not have a digital signature, he cannot enjoy such online service. Is there any other means provided by the government to facilitate

the hotel industry to submit online applications for liquor licence and related applications?

A: Since July 2016, applications for renewal and amendment of a liquor licence can be submitted online using passwords assigned or approved by the Liquor Licensing Board, along with the option of using digital signature. In October 2016, online submission service has been extended to cover applications for new issue and transfer of a liquor licence. The new measure makes liquor licence applications simpler and faster for the trade.

With the online submission service extended to cover applications related to reserve licensees and temporary absence of licensees in December 2017, all liquor licensing and related applications are provided with online services by then, making licence application all the more easier.

Extending licence validity to two years

Q: As a proprietor of hotel restaurants and bars, I hesitate to make long-term investment in such premises because a liquor licence is only valid for one year. Can the government extend the validity period of a liquor licence to facilitate the industry to make longer-term investments?

A: Since August 2015, when a liquor licensee applies for renewal of a liquor licence, it is likely for it the licence to be renewed for two years if the premises concerned meet the requirements of "good track record" and if the application is approved by the Liquor Licensing Board. This new measure facilitates business proprietors to make long-term business planning.