

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

*Transfer of liquor licence without the
consent of current licensee*

Purpose

This paper briefs members on the new mechanism for processing application for transfer of liquor licence without the consent of the current licensee.

Background

2. According to the Dutiable Commodities (Liquor) Regulations (Cap 109 B), a liquor licence is required for selling liquor at any premises for consumption on the premises and the licence is granted to a person who is authorized to manage the premises. Any person seeking transfer of liquor licence shall make application in writing to the Liquor Licensing Board (“the Board”).

3. Business owners/operators have expressed concern over the disruption in business operation when the liquor licensee, who is usually an employee, suddenly leaves the job. To address the trade’s concern, the Government implemented the Reserve Licensee Scheme in March 2017, under which the reserve licensee can take over the licensee role shortly should there be sudden departure of the liquor licensee. The business owner/company can in parallel apply for transfer of liquor licence.

4. If the liquor licensee refuses to transfer the licence to another person due to dispute with the business owner or whatever reasons, the business owner/company will need to apply for new issue of liquor licence though there is no change in the ownership of the business. This could be more time-consuming than a transfer application because different government departments may have to be consulted before a new licence is granted. As another trade facilitation initiative, the Government has recently set up a mechanism for processing application for transfer of liquor licence without consent of the current licensee, which has taken effect in July 2017.

The Mechanism

5. Under the mechanism, the business owner can apply for transfer of liquor licence even if he fails to obtain the consent of the current licensee. The transferee has to produce supporting documents for the Board's consideration, such as (i) a written statement giving the reason(s) for failing to obtain the consent of the current licensee; (ii) Business Registration Certificate showing the ownership of the business; (iii) proof showing that the current licensee is an employee of the business owner, for example, employment contract between the employee and the owner; (iv) Tenancy agreement of the liquor-licensed premises; or (v) any other relevant documents substantiating the proposed transfer.

6. If the application form together with supporting documents is considered acceptable, the case will be processed as a normal transfer application and considered by the Board at the open hearing regardless of whether there is objection from departments concerned or the public. Should the current licensee request cancellation of the liquor licence while the business owner has applied for transfer, both the transfer application and cancellation request will be considered by the Board at open hearing. This could prevent cancellation of the liquor licence before the transfer is approved to avoid disruption to business operation.

7. With this new mechanism and the Reserve Licensee Scheme, in the event that a liquor licensee suddenly leaves the job without giving consent to transfer the licence, the business owner can apply for transfer of licence in parallel with application for authorization of reserve licensee to take over the role of licensee shortly, thus avoiding disruption to business operation.

Way Forward

8. Members are invited to note the above business facilitation initiative and offer comments, if any.