

**Twenty-sixth Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 3(c): Report on the work of the
Task Force on Business Liaison Groups***

Purpose

This paper reports on the work of the Task Force on Business Liaison Groups (BLGTF) since the last Business Facilitation Advisory Committee meeting on 1 April 2014.

Work progress of BLGTF

Overall Progress of Business Liaison Groups

2. From 1 January to 31 May 2014, nine Business Liaison Group (BLG) meetings were held. At these meetings, 42 issues raised by the trades were satisfactorily resolved or clarified. Besides, 15 information dissemination sessions on new business facilitation measures/existing regulatory requirements and one consultation session on proposed new regulation were conducted by the departments concerned.

3. As regards the consultation session mentioned above, the Home Affairs Bureau (HAB) and the Home Affairs Department (HAD) consulted the trade on the proposed business facilitation measure at the recent BLG meeting for Family Amusement Centres (FACs). Under the proposal, FACs will be exempted from the Amusement Game Centres Ordinance (Cap 435) (AGCO) and be allowed to install non-mechanical non-prize-giving amusement game devices approved by the Office of the Licensing Authority (OLA) of HAD for persons under 16 with condition that such game devices should not constitute more than 10% of the total number of games installed therein. The trade expressed some views on the proposal, including its request for permission of installing prize-giving game machines with monitors at FACs. HAB and HAD would consider the views when drawing up details of the proposal for submission to the Legislative Council by the end of 2014.

Regulatory Control over Bars and Other Places of Entertainment Installed with Electronic Darting Machines

4. At the last BLGTF meeting, HAB briefed members on the proposed regulatory control over bars and other places of entertainment installed with electronic darting machines (EDMs). At the invitation of BLGTF, representatives from the Hong Kong and Kowloon Billiard Merchants General Association Limited, the Hong Kong Bars & Karaoke Rights Advocacy, the China Hong Kong Dart Sport Association Limited, and the Hong Kong Bar & Club Association attended the meeting to express their views.

5. Under the proposal, the premises installed with EDMs (including Electronic Darting Centres (EDCs)) already licensed under other licensing regimes with similar safety requirements will be exempted from AGCO. The main policy consideration is safeguarding public safety while avoiding double regulation. BLGTF and the trade representatives generally welcomed the proposal. However, the trade representatives considered the 18-month transitional period too long, which might send a wrong message to illegal operators that they could continue selling alcohol without a liquor licence during the period.

6. HAB clarified that the 18-month grace period did not affect the enforcement of illegal selling of liquor, which was regulated under liquor licence regime, but not AGCO. Premises installed with EDMs while operating as food or liquor premises should obtain the relevant licenses for the latter operations to ensure compliance with prevailing safety requirements. HAB, in its communication with the trades concerned, had made the aforesaid clear and reminded the trades not to sell liquor without the required licences. HAB would convey the views of the trades to the relevant departments overseeing the liquor licence and continue working together to keep the trades well informed and avoid misconceptions. The Government spared no efforts to enforcement against illegal operation without the required licenses. The Government would continue its efforts on the enforcement front while proceeding with the proposed exemption to facilitate the trades and avoid double regulation.

Fire Retardant Treatment Requirements of Curtains and Wall Furnishings in Cinemas for Renewal of Places of Public Entertainment Licence

7. At a BLG meeting for cinemas, the trade opined that since cinemas in Hong Kong had become statutory no smoking areas and the majority of them were adopting digital projectors, the fire risk of cinemas was low and hence the Administration should consider relaxing the annual fire retardant treatment requirement for curtains and wall furnishings of cinemas.

8. In response, the Fire Services Department (FSD) has clarified that if the draperies, curtains and wall furnishings, etc. used at a cinema have already conformed to the stipulated fire resistant standards, or been brought up to the stipulated standards by a registered fire services installation contractor with a fire retardant paint or solution treatment acceptable to FSD, the cinema needs not re-treat its existing curtains and wall furnishing with fire retardant paint/solution annually. However, if major alteration involving wooden wall furnishing, draperies or curtains has been effected, documentary proof certifying those items are up to the required standard will be required.

9. BLGTF appreciates the clarification made by FSD.

New Guide to Licence Applications of Holiday Flats

10. At a BLG meeting, the trade of holiday flats enquired if a more detailed licensing guide for this specific premises type would be provided by HAD because the existing layman's guide to licence applications under the Hotel and Guesthouse Accommodation Ordinance (Cap 349) only covered the general requirements for a variety of premises types (i.e. hotels, guesthouses, holiday flats and holiday camps).

11. To address the trade's concern, HAD has prepared a guide for licence applications of holiday flats situated in village type houses in the New Territories to provide more technical information and details for this specific premises type (e.g. the width of exit route required for the holiday flat). The new guide has been uploaded to HAD's website.

12. BLGTF appreciates the business facilitation measure of HAD.

Copyright Infringement of Playing Musical Works at Hotels

13. The Customs & Excise Department (C&ED) is the enforcement agency of the Copyright Ordinance (Cap 528) (the Ordinance) against criminal infringement of copyright works. In mid-December 2013, a large scale enforcement action was taken by C&ED on several bars and a technology company, where 49 sets of karaoke systems loaded with suspected infringing songs and movies were seized.

14. Musical works are often played in the lobbies, restaurants, bars, guestrooms and karaoke rooms etc. of hotels. At the recent BLG meeting for hotels, the trade requested C&ED to brief them on the related enforcement policy and actions so that they could avoid committing copyright infringement offences. In response, C&ED has briefed the trade that under the Ordinance, some infringements are civil and some are criminal. If a business establishment uses an infringing copy of a copyright work (such as a pirated song) in the course of business, it will commit a criminal offence. C&ED will take enforcement actions against criminal copyright infringement upon receiving complaints. To avoid copyright infringement, the trade should be vigilant to request the suppliers of musical works to provide documentary proofs that they are the legitimate copyright owners or their authorized representative before purchasing any musical works from them. Moreover, the trade should properly record and document its efforts and endeavours made in a bid to comply with the licensing requirements of the music industry. Such records and documentations will be important in the trade's defence if C&ED launches investigation upon the trade for alleged copyright infringement.

15. BLGTF appreciates the trade facilitation efforts of C&ED.

Way forward

16. Members are invited to note the work progress of the BLGTF. The Task Force will continue to oversee and monitor the work progress of the BLGs.