

**Thirty-first Meeting of
the Business Facilitation Advisory Committee**

***Agenda Item 3(a) : Report on the work of the
Wholesale and Retail Task Force***

Purpose

This paper reports on the work of the Wholesale and Retail Task Force (WRTF) since the last Business Facilitation Advisory Committee meeting held on 30 November 2015.

Work progress of WRTF

Enhancing the monitoring and surveillance of food trading and imports

2. The Centre for Food Safety (CFS) and the Environmental Hygiene Branch of the Food and Environmental Hygiene Department (FEHD) have briefed WRTF on the import control measures and the regulation of online food sale respectively.

Import control measures

3. As part of the Food Surveillance Programme for the protection of public safety, CFS takes samples of food from imports and then, depending on the circumstances, releases or holds up the consignment pending the test results. WRTF expresses grave concern on the sampling-and-hold of perishable food products because the whole consignment may have to be written off if the holding time is long. Even when the food concerned has a longer shelf life, the importer still needs to incur additional storage costs during the holding. WRTF suggests a performance pledge for holding and testing food products should be introduced.

4. CFS reassures that they are aware of the trade's concern on the sampling-and-hold of perishable food products and that a fast track process is already in place for the testing of these foods products. The decision to

release or hold up a consignment after taking samples depends on many factors such as intelligence received and the perceived risk of the food. The Government needs to balance the protection of public safety and the risk of releasing a consignment prematurely. As the testing is conducted by the Government Laboratory or the Public Health Laboratory Centre which are also responsible for the testing of other things, CFS does not have control over the waiting time required. Hence, CFS has operational difficulties in establishing a performance pledge.

5. To address the trade's concern and help reduce their compliance costs, WRTF strongly urges the Government to re-consider the suggestion of establishing a performance pledge for holding and testing perishable food products.

Regulation of online food sale

6. Under the Food Safety Ordinance (FSO), any person who operates a food importation/distribution business has to register with the Director of Food and Environmental Hygiene. FSO is applicable to food trading on e-commerce platform, including online food sale.

7. To further safeguard food safety, FEHD has been preparing a new set of permits to regulate the sale of restricted foods (e.g. sashimi, sushi, chilled meat, and frozen confections) online for introduction within the first quarter of 2016. In response to WRTF's enquiry, FEHD confirms that there will not be any grace period under the new regulatory regime and the existing operators will have to cease their business temporarily while waiting for the approval of their applications for the new permit.

8. As nowadays it is common to operate online business at home, WRTF enquires whether operators without physical premises may use their residential premises as the business address for the new permit. FEHD advises that they have been consulting the relevant departments (including the Lands Department (LD), Planning Department and Housing Department) on the issue and a consensus has yet to be reached.

9. WRTF supports the introduction of the new permit for selling restricted foods online for food safety reason and urges FEHD to finalise all the detailed licensing requirements as soon as practicable.

Way forward

10. Members are invited to note the work progress of WRTF. WRTF will continue to monitor the development of the above issues.

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