

**Business Facilitation Advisory Committee
Food Business and Related Services Task Force**

**Proposed Application Criteria and New Regulatory Measures for
Factory Canteen Licence**

Purpose

This paper briefs members on the proposed application criteria and new regulatory measures for the Factory Canteen Licence (FCL).

Background

2. Under the Food Business Regulation (Cap. 132X), any person who carries on any food business in a factory building which involves the sale or supply of meals for consumption on the premises by persons employed in any factory in that factory building must obtain a FCL from the Food and Environmental Hygiene Department (FEHD). The licence requires that a factory canteen can only serve factory employees who work in the factory building where the canteen is located.

3. In recent years, many factory canteens also serve public customers in a high-profile manner. In this light, The Ombudsman has conducted a direct investigation to examine the Government's policy, the licensing system and the regulatory regime relating to the FCL, with a view to putting forth improvement proposals to the relevant departments to ensure that a FCL will only be issued where the industrial building/factory concerned really needs a canteen.

4. The FEHD and the relevant policy bureaux/ departments had conducted a comprehensive and in-depth review of the licensing policy on factory canteens, including the applicability of the FCL, the criteria for approving FCL applications, the licensing requirements and the regulatory regime, and formulated new application criteria and regulatory measures for the FCL as appropriate.

Proposed Application Criteria for FCL

(i) Scaling down the aggregate floor area ratio of factory canteens in an industrial building

5. Under the current policy, if the land leases of the industrial building/factory where the proposed factory canteen is located specify that the factory unit is for "industrial/godown" use only, the owner concerned has to apply to the Lands Department for a "waiver letter to permit

a canteen within an industrial building”, which requires that the aggregate floor area of the proposed factory canteen and the existing factory canteen(s) (if any) in the same industrial building must not exceed 10% of the gross floor area of the building. As the population of factory workers has dropped by almost 90% since the 1980s (when the FCL was introduced), the FEHD plans to reduce the aggregate floor area of factory canteens in an industrial building from 10% to 1% of the gross floor area of the building.

(ii) Issue of FCL only if there is any factory in operation in the building

6. As a licensed factory canteen can only serve persons employed in any factory in the same industrial building, the FEHD is considering the arrangement to require an applicant for a new FCL to indicate his awareness that there is factory in operation in the building when submitting the application.

New Regulatory Measures for FCL

7. To ensure that a factory canteen only serves factory employees who work in the same industrial building, the FEHD has revised the licensing requirements and conditions of the FCL to require the licensee to display a notice reading “FACTORY EMPLOYEES OF THIS BUILDING ONLY” at each entrance of the factory canteen and at conspicuous places of the seating accommodation and the cashier counter, advising the public that only factory employees of the same building are to be served. In addition, customers using a factory canteen shall possess employee identity cards issued by their employers or other acceptable proof. The above measures have come into effect since February 2018.

Advice Sought

8. Members are invited to note and offer comments on the content of this paper.

Food and Environmental Hygiene Department
November 2018