

**Government's Response to the Matters raised at
the Meeting of the Subcommittee on
Travel Industry Ordinance (Commencement) Notice 2019
held on 25 October 2019**

Purpose

This paper sets out the Government's response to the matters raised at the meeting of the Subcommittee on Travel Industry Ordinance (Commencement) Notice 2019 held on 25 October 2019.

Support Measures for Tourism Trade

2. To help the tourism trade cope with the current challenges, the Government has been working closely with the Travel Industry Council of Hong Kong ("TIC"), the Hong Kong Tourism Board ("HKTB"), the trade, etc. in rolling out various support measures, including the incentive scheme announced on 23 October 2019, to be launched jointly with HKTB and TIC within November, to provide travel agents with cash incentives based on the number of visitors they serve. Other measures announced earlier include the Government's waiver of the licence fees of travel agents and hotels, etc., reduction of food trucks' rentals at Government venues by half; TIC's waivers of travel agents' annual membership fees and registration fees for Mainland inbound tour groups; HKTB's waivers of the trade's participation fees for joining travel trade shows and travel missions organised in the Mainland and overseas, membership renewal fees under the Quality Tourism Services Scheme, etc. For trade practitioners, TIC will subsidise tourist guides in completing the Continuing Professional Development Scheme, and the Employees Retraining Board has launched a special training programme called "Love Upgrading Special Scheme" for those recently unemployed, required to take no pay leave or under-employed (including those in the tourism industry) to enroll with allowances provided. The Government will maintain close liaison with the trade and introduce further support measures if necessary.

Financial Arrangements of Travel Industry Authority ("TIA")

3. To support the initial operation of TIA, the Government has earmarked \$350 million from the 2019-20 Budget as seed money for TIA. We believe that TIA will closely monitor its financial situation, with a view to coping with its daily operation and achieving a self-financing status in the long run whilst at the

same time, taking into account the affordability of the trade. We envisage that TIA, similar to other trade-related statutory regulatory bodies, will establish a standing committee to advise it on financial management-related affairs (including investment).

Progress and Timeline of Preparation for Setting up the New Regulatory Regime

4. After the Legislative Council's passage of the Travel Industry Bill in November 2018, the Tourism Commission has set up a preparatory team to press ahead with planning and undertaking various preparatory tasks, including taking forward the appointment exercise of TIA, formulating TIA's governance framework and work plans, internal administrative rules and procedures, etc.

5. The commencement notice related to the provisions of the Travel Industry Ordinance (Cap. 634) for the establishment of TIA is expected to come into operation on 2 December 2019. Afterwards, the Government will appoint members of TIA and prepare for the convening of TIA's first meeting early next year, to take forward preparatory work full steam ahead for setting up the new regulatory regime. We expect that it will take about two years for TIA to complete all necessary preparation, in order to take over the licensing and trade regulatory functions from the Travel Agents Registry and TIC respectively for the full implementation of the new regulatory regime.

**Tourism Commission
Commerce and Economic Development Bureau
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