

LEGISLATIVE COUNCIL BRIEF

Building Management Ordinance
(Chapter 344)

BUILDING MANAGEMENT (AMENDMENT) BILL 2023

INTRODUCTION

A At the meeting of the Executive Council on 28 November 2023, the Council **ADVISED** and the Chief Executive **ORDERED** that the Building Management (Amendment) Bill 2023 (Bill), at **Annex A**, should be introduced into the Legislative Council (LegCo).

JUSTIFICATIONS

2. Private buildings are the property of owners and it is owners' responsibility to manage their buildings properly. The Building Management Ordinance (Cap. 344) (BMO) provides a legal framework for owners to form and run owners' corporations (OCs), which are body corporates that have the legal power to manage the common parts of the buildings on behalf of all owners.

3. With a growing number of aged buildings in need of repair and renovation, owners are increasingly concerned about how decisions on major building maintenance are made by OCs. Besides, there has been a strong call from the community for better control over how the management committees (MCs), being the executive arm of OCs, handle day-to-day management. Areas of particular concern include meeting procedures, preparation of financial statements, keeping of records and documents, etc.

4. To address these public concerns, the Bill will propose amendments to the BMO to require the engagement of more owners in procurement decisions, to improve the transparency and accountability of the operation of MCs, as well as to enhance deterrence against non-compliance with the BMO. The major proposals are set out in the ensuing paragraphs.

Major legislative amendment proposals

(I) Large-scale Maintenance and High-value Procurement

5. The Bill will introduce in the BMO a new category of procurement called “**large-scale maintenance procurement**”. Procurement for any maintenance project will be considered as “large-scale maintenance procurement” if the average project cost per building flat exceeds \$30,000¹.

6. Currently, owners may attend a meeting of owners in person or through appointing proxies. With proxies, it is possible that resolutions for procurement are passed with the presence of only a few owners. Given the huge stake involved in “large-scale maintenance procurement” (both in terms of scope and the financial implications for owners), it would be preferable, from a public policy angle, to mandate a certain level of owners’ in-person participation, in order to protect their interests and to minimise potential disputes. To this end, the Bill will require that a resolution for “large-scale maintenance procurement” can only be passed if at least 5% of the owners or 100 owners (whichever is the lesser) have voted in person².

7. To draw owners’ attention to the discussion of “large-scale maintenance procurement”, the Bill will require that the notice of meeting must contain a reminder, denoted as being important, of the fact that the meeting agenda will cover such procurement, with estimated amounts to be contributed from building management fund and by each building flat owner for the procurement. Furthermore, to enhance transparency, copies of the meeting minutes must be supplied to all owners within 28 days after the date of meeting. The minutes will also need to record the number of owners voting in person and by proxy respectively for the resolution for “large-scale maintenance procurement” to ensure that the “voting-in-person” requirement has been complied with.

¹ The figure has made reference to the costs of projects under the Building Rehabilitation Schemes of the Urban Renewal Authority. Any garage, carpark or carport will not be counted as building flats. Besides, procurement for recurring and regular services, such as cleaning, security and engagement of property management companies, will be excluded from the definition of “large-scale maintenance procurement” to avoid disruption to daily building management services.

² A new mechanism will be introduced in the Bill for a corporate flat owner to authorize a natural person by a resolution of its directors or other governing body and an authorization notice to act at a meeting on its behalf. A corporate flat owner will be taken to have voted personally at the meeting if the authorized natural person casts a vote on its behalf.

8. Other than “large-scale maintenance procurement”, the Bill will impose additional requirements on “high-value procurement”³ conducted by OCs. Under the existing BMO, any supplies, goods or services with a value exceeding or likely exceeding \$200,000 or 20% of the OC’s annual budget, whichever is the lesser, is to be procured by invitation to tender. For the latter case, the acceptance of tender must be decided by a resolution of owners. The Bill will replace the “annual budget” benchmark by average annual expenditure in the last three years. This will better reflect the actual expenditure pattern of the OCs and reduce the risk of circumventing the tendering and related requirements by deliberately inflating the annual budget.

9. In addition, the Bill will introduce a number of measures to enhance the integrity and transparency of the conduct of tender for “large-scale maintenance procurement” and “high-value procurement”. Among others, MC office-bearers, managers and other persons responsible for conducting the procurement will need to declare any pecuniary or personal interests in the tender submitted, or connections with a person who has submitted a tender. Where a declaration is made, a notice of declaration will need to be displayed in a prominent place in the building to inform owners and certain restrictions (e.g. prohibition from attending meetings and participating in procurement activities) will apply.

10. Besides, the Bill will require, amongst others, the display of a copy of invitation to tender in a prominent place in the building for owners’ information; bar the acceptance of tenders submitted after deadline; and specify the minimum number of potential suppliers that must be invited for procurement the value of which exceeds a certain amount⁴.

(II) Financial Statements

11. Under the current BMO, only financial statements of OCs in respect of buildings with more than 50 flats are required to be audited. However, in view that the income and expenditure of a building with a small number of flats (for example, a low-density building or housing development with few

³ Where the value of supplies, goods or services exceeds, or is likely to exceed, \$200,000 but does not exceed, or is not likely to exceed, 20% of average annual expenditure in the last three financial years (referred to as “**type 1 high-value procurement**” in the Bill), or the value of supplies, goods or services exceeds, or is likely to exceed, 20% of average annual expenditure in the last three financial years (referred to as “**type 2 high-value procurement**”).

⁴ For procurement with a value exceeding or likely exceeding \$200,000, no less than 5 potential suppliers must have been invited; for procurement with a value exceeding or likely exceeding \$10,000 but not exceeding or unlikely exceeding \$200,000, no less than 3 potential suppliers.

units) may still be substantial, it would be more appropriate to use the income and expenditure as the basis for determining the audit requirement.

12. With reference to regular building expenditure items such as the salary of security and cleansing staff, insurance, etc., the Bill will stipulate that the financial statements of the buildings with total annual income or expenditure exceeding \$500,000 must be audited regardless of the number of flats.

13. Besides, the BMO currently only requires that the financial statements, together with the accountant's report, be laid before the OC at the annual general meeting. To enable owners to have an earlier access to the financial statements, the Bill proposes a new requirement for displaying the financial statements in a prominent place in the building once available without waiting for the annual general meeting.

(III) Criminal Sanctions

14. There have been calls for more sanctions in the BMO to achieve greater deterrence against non-compliance with the BMO. On the other hand, some consider that MC members serve voluntarily and criminal liability would affect owners' motivation to take up building management duties. There is a need to strike a balance between the deterrent effect and the impact on owners' participation in building management.

15. The Bill will therefore keep the existing offences under the BMO unchanged, while introducing new offences in relation to the keeping of important OC documents, including accounting documents, meeting minutes, tender documents and proxy instruments. Upon conviction, the convenor of the meeting or MC office-bearer (as the case may be) would be liable to a fine.

16. For all existing and newly proposed offences, a statutory defence will be made available in the Bill such that the person charged will be entitled to acquittal if (a) sufficient evidence is adduced to raise an issue that the offence was committed without the person's consent or connivance and the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and (b) the contrary is not proved by the prosecution beyond reasonable doubt.

Application to Buildings without OCs

17. To enable owners of buildings that do not form OCs (e.g. private housing estates managed by the Deed of Mutual Covenant (DMC) manager) to benefit from the amendment proposals, the Bill will incorporate

amendments in relation to “large-scale maintenance procurement” and “high-value procurement”, as well as financial statements, into Schedule 7 to the BMO⁵ as mandatory terms in the DMCs.

Transitional Arrangements

18. Transitional provisions will be included in the Bill such that new requirements relating to procurement will not apply to procurement in progress. However, where a procurement exercise is initiated before the commencement of the Building Management (Amendment) Ordinance 2023 (Amendment Ordinance) but no contract for the procurement has been made three years after the date on which the Amendment Ordinance comes into operation, the new requirements should prevail.

THE BILL

19. The main provisions of the Bill are summarised below –

- (1) **Clause 8** adds new sections 4A and 4B to the BMO to provide that it is an offence for a convenor of an owners’ meeting for OC formation to fail to keep proxy instruments. **Clause 30** adds a similar offence provision (new section 40CA) for the failure of MCs to keep proxy instruments for OC meetings;
- (2) **Clause 19** amends section 27 of the BMO and **Clause 20** adds new sections 27A and 27B to the BMO to –
 - (a) provide for the duties of MCs to display financial statements of OCs (and related accountant’s reports) in prominent places in the buildings;
 - (b) adjust the requirements in respect of the maintaining of books of account and the preparation of financial statements of OCs; and
 - (c) provide that it is an offence for MCs to fail to keep certain accounting documents of OCs;
- (3) **Clause 22** adds a new Division 5 to Part IV of the BMO, which contains the provisions about the procurement of supplies, goods

⁵ The provisions in Schedule 7 to the BMO are incorporated into all DMCs. Currently, Schedule 7 contains provisions relating to, among others, procurement and financial statements.

or services required by OCs for building management. That Division provides that –

- (a) the MC must keep all procurement documents for a period of six years and it is an offence for MCs to fail to keep procurement documents;
 - (b) “large-scale maintenance procurement” and “high-value procurement” are subject to certain requirements specified in a new Schedule 6A to the BMO (i.e. requirements as to the display of copies of invitations to tender, the timely submission of tenders and the minimum number of potential suppliers to be invited for the procurement);
 - (c) in relation to “large-scale maintenance procurement” and “high-value procurement”, a new Schedule 6B to the BMO has effect so that MC office-bearers and managers, etc. must declare any pecuniary or personal interests, or connections for the tenders submitted; and
 - (d) general meetings of OCs concerning “large-scale maintenance procurement” is subject to certain stricter requirements specified in a new Schedule 6C to the BMO (i.e. requirements as to notices of meetings, the voting-in-person threshold for the voting in respect of proposed resolutions, the recording of votes cast for such proposed resolutions personally and by proxy in the meeting minutes and the supply of copies of such minutes to the owners etc.);
- (4) **Clause 27** adds a new section 36A to the BMO to provide that it is an offence for MCs to fail to keep certain documents (including minutes and proxy instruments) concerning meetings of MCs and general meetings of OCs;
- (5) **Clause 35** amends Schedule 2 to the BMO to provide for the duty of MCs to supply copies of minutes for MC meetings concerning “large-scale maintenance procurement” to the owners etc.;
- (6) **Clause 36** amends Schedule 3 to the BMO to provide that corporate flat owners may be represented at general meetings of OCs by natural persons authorized by them; and

(7)**Clause 40** amends Schedule 7 to the BMO to incorporate amendments in relation to “large-scale maintenance procurement”, “high-value procurement” and financial statements where appropriate in DMCs by way of implied terms.

B The existing provisions being amended are at **Annex B**.

OTHER OPTIONS

20. The proposal cannot be implemented without legislative amendments to the BMO.

LEGISLATIVE TIMETABLE

21. The legislative timetable is as follows –

Publication in the Gazette	8 December 2023
First Reading and commencement of Second Reading debate	13 December 2023
Resumption of Second Reading debate, committee stage and Third Reading	To be notified

IMPLICATIONS OF THE PROPOSAL

C 22. The financial, civil service, economic, and sustainability implications of the proposal are set out at **Annex C**. The proposal is in conformity with the Basic Law, including the provisions concerning human rights. It has no productivity, environmental, family or gender implications. The proposed legislative amendments will not affect the current binding effect of the BMO.

PUBLIC CONSULTATION

23. Members of the public, LegCo and stakeholders were consulted on the legislative amendment proposals. Specifically, prior to the meeting of LegCo Panel on Home Affairs, Culture and Sports in April 2023, we had conducted 13 engagement sessions with political parties, LegCo Members and representatives of the property management sector to listen to their views on the latest proposals. They were generally supportive of the proposals.

PUBLICITY

24. A press release will be issued on the date of Gazettal. A spokesperson will also be available to handle media enquiries.

BACKGROUND

25. The BMO stipulates, *inter alia*, the formation, powers and duties, and operation of OCs. Through an MC appointed by owners, an OC may exercise and perform the powers and duties of the owners in relation to the common parts of the building.

26. The Government reviews the BMO from time to time. The BMO was last amended in 2007 to rationalise the appointment procedures of MCs, to set more specific requirements on the use of proxy instruments, and to enhance the provisions of mandatory procurement of insurance for third parties, etc.

ENQUIRY

27. Any enquiries on this brief can be directed to Mr Alfred LEE, Assistant Director (5) of the Home Affairs Department, at 2835 2121.

Home and Youth Affairs Bureau
Home Affairs Department
6 December 2023

Building Management (Amendment) Bill 2023
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A BILL

To

Amend the Building Management Ordinance to impose certain requirements in relation to the procurement of supplies, goods or services required for large-scale building maintenance and of other high-value supplies, goods or services required for building management; to provide for a mechanism under which natural persons authorized by corporate flat owners may act for the latter at general meetings of owners' corporations etc.; to impose or adjust certain requirements in relation to financial statements and other accounting documents of owners' corporations etc. and in relation to the procedure of meetings concerning building management; to criminalize the failure to keep certain documents concerning building management; and to make related and miscellaneous amendments.

Enacted by the Legislative Council.

1. Short title and commencement

- (1) This Ordinance may be cited as the Building Management (Amendment) Ordinance 2023.
- (2) This Ordinance comes into operation on the expiry of 12 months after the day on which it is published in the Gazette.

2. Building Management Ordinance amended

The Building Management Ordinance (Cap. 344) is amended as set out in sections 3 to 43.

3. Section 2 amended (interpretation)

- (1) Section 2—

Renumber the section as section 2(1).

- (2) Section 2(1), English text, definition of *tribunal*—

Repeal the full stop

Substitute a semicolon.

- (3) Section 2(1), Chinese text, definition of 獲豁免屋邨, paragraph (b)—

Repeal

“邨。”

Substitute

“邨；”。

- (4) Section 2(1)—

Add in alphabetical order

“*authorized natural person* (獲授權自然人)—

- (a) in relation to a corporate flat owner and a general meeting of a corporation convened under Schedule 3—means a natural person who may, under paragraph 4A(1) of that Schedule, act for the corporate flat owner for the meeting; or
- (b) in relation to a corporate flat owner and a meeting of owners convened under the deed of mutual covenant—means a natural person who may, under the mandatory DMC terms contained in paragraph 41(1) of Schedule 7, act for the corporate flat owner for the meeting;

certified minutes (經核證會議紀錄) means—

- (a) in relation to a meeting of a management committee—any minutes of the proceedings at the meeting that are certified in accordance with Schedule 2; or

- (b) in relation to a general meeting of a corporation—any minutes of the proceedings at the meeting that are certified in accordance with Schedule 3;

connection (關連)—see subsection (5);

corporate flat owner (法人團體業主) means an owner that is a body corporate;

corporation resolution (法團決議) means a resolution of the owners passed at a general meeting of the corporation convened and conducted in accordance with Schedule 3;

court (法庭) includes the tribunal;

DMC manager (公契經理人), in relation to a building, means the person who is specified in the deed of mutual covenant to manage the building;

electronic form (電子形式)—see section 2E(1)(a);

first tender acceptance meeting (首次納標會議), in relation to any large-scale maintenance procurement, means—

- (a) if there is a corporation—the first general meeting of the corporation convened under Schedule 3; or
- (b) if there is no corporation—the first meeting of owners convened under the deed of mutual covenant,

at which the question whether a tender submitted for the procurement is to be accepted or not is considered;

function (職能) includes a power and a duty;

hard copy form (印本形式)—see section 2E(1)(b);

initiation date (啟動日期), in relation to the procurement of any supplies, goods or services, means—

- (a) if there is a corporation—

- (i) the date on which the initiation decision is made for the procurement by a management committee resolution; or
- (ii) the date on which the initiation decision is made for the procurement by a corporation resolution,

whichever is the earlier; or

- (b) if there is no corporation—the date on which the initiation decision is made for the procurement—
- (i) by an owners resolution; or
- (ii) otherwise in accordance with the deed of mutual covenant;

initiation decision (啟動決定), in relation to the procurement of any supplies, goods or services—

- (a) means the decision that the procurement is to be conducted; and
- (b) includes a decision that potential suppliers are to be approached for the procurement;

large-scale maintenance procurement (大型維修工程採購)—see section 2D;

management committee resolution (管委會決議) means a resolution of the management committee passed at a meeting of the management committee convened and conducted in accordance with Schedule 2;

manager (經理人), in relation to a building, means—

- (a) the DMC manager; or
- (b) any other person who for the time being is, for the purposes of the deed of mutual covenant, managing the building;

mandatory DMC terms (公契強制條款) means a provision of a deed of mutual covenant that has effect by virtue of section 34E;

owners resolution (業主決議) means a resolution of the owners passed by a majority of the votes of the owners voting either personally or by proxy at a meeting of owners convened and conducted in accordance with the deed of mutual covenant;

participant (參與者), in relation to a management committee—see subsection (4);

responsible person (負責人), in relation to the procurement of any supplies, goods or services for a building—

- (a) means—
- (i) the manager of the building; or
 - (ii) a person who is accustomed or obliged to act in accordance with the directions or instructions of the manager in connection with the procurement, regardless of whether the directions or instructions are made to the person directly or indirectly; and
- (b) does not include a member, secretary or treasurer of the management committee in respect of the building;

specified form (指明表格) means—

- (a) in Schedule 3—a form specified under section 8(6);
- (b) in Schedule 6B—a form specified under section 28M; or
- (c) in Schedule 7—a form specified under section 34EA;

type 1 high-value procurement (第 1 類大額採購)—see section 2C;

type 2 high-value procurement (第 2 類大額採購)—see section 2C;

validly (有效地), in relation to the sending of a document in electronic form—see section 2E(2);

voting-in-person threshold (親自投票門檻), in relation to the passing of a resolution of the owners at a meeting, means a minimum number of the owners who must have cast a vote on the relevant proposed resolution personally, but not by proxy, at the meeting in order that a decision may be made by the resolution.”.

(5) After section 2(1)—

Add

“(2) In this Ordinance, a reference to a person’s acting for a corporate flat owner for a meeting—

- (a) is a reference to—
- (i) the person’s attending the meeting; and
 - (ii) the person’s performing all the functions of an owner at, or otherwise in connection with, the meeting,

on behalf of the corporate flat owner; and

- (b) does not include the person’s performing any function as a proxy.

(3) To avoid doubt, for any meeting that is adjourned, a reference to the conclusion of the meeting in this Ordinance is a reference to the conclusion of the last adjourned meeting.

(4) In this Ordinance, a reference to a participant of a management committee is a reference to—

- (a) a member of the management committee; or
 - (b) a secretary or treasurer of the management committee who is not its member.
- (5) For the purposes of this Ordinance, a person (*Person A*) has a connection with another person (*Person B*) if—
- (a) Person A is a spouse of Person B;
 - (b) Person A, or a spouse of Person A, is a brother, sister, uncle, aunt, cousin, nephew, niece, lineal ancestor or lineal descendant of Person B;
 - (c) Person A and Person B are co-owners of a share in the relevant building;
 - (d) Person A is a body corporate—
 - (i) the composition of the board of directors of which is controlled by Person B;
 - (ii) more than half of the voting power in or in relation to which is possessed by Person B;
 - (iii) more than half of the issued share capital of which is held by Person B;
 - (iv) of which Person B is a director; or
 - (v) of which Person B is an associated company as defined by section 2(1) of the Companies Ordinance (Cap. 622);
 - (e) Person A and Person B are partners in a partnership;
 - (f) Person A is an employee or agent of Person B; or
 - (g) Person A is otherwise accustomed or obliged to act in accordance with the directions or instructions of Person B.
- (6) For the purposes of subsection (5)(b)—

- (a) a relationship of the half blood is treated as a relationship of the whole blood;
 - (b) a stepchild or adopted child of a person is treated as that person's child; and
 - (c) a child born out of wedlock is treated as the legitimate child of that child's mother and reputed father.
- (7) A note located in the text of this Ordinance is provided for information only and has no legislative effect.”.

4. Sections 2C, 2D and 2E added

Part I, after section 2B—

Add

“2C. References to type 1 high-value procurement and type 2 high-value procurement

- (1) For the purposes of this Ordinance—
- (a) the procurement of any supplies, goods or services required in the performance of a function under the deed of mutual covenant or this Ordinance is type 1 high-value procurement if—
 - (i) the value of the supplies, goods or services—
 - (A) exceeds, or is likely to exceed, \$200,000; and
 - (B) does not exceed, or is not likely to exceed, 20% of the reference amount for the procurement; and
 - (ii) the procurement is not large-scale maintenance procurement; and

- (b) the procurement of any supplies, goods or services required in the performance of a function under the deed of mutual covenant or this Ordinance is type 2 high-value procurement if—
- (i) the value of the supplies, goods or services exceeds, or is likely to exceed, 20% of the reference amount for the procurement; and
 - (ii) the procurement is not large-scale maintenance procurement.
- (2) The Authority may by notice published in the Gazette do any of the following—
- (a) amend the monetary amount specified in subsection (1)(a)(i)(A);
 - (b) amend the percentage specified in subsection (1)(a)(i)(B) and (b)(i).
- (3) In subsection (1), a reference to the reference amount, in relation to the procurement of any supplies, goods or services, is a reference to—
- (a) if more than one amount of specified annual expenditure is available for the last 3 financial years in respect of the management of the building that wholly fall before the initiation date for the procurement—the average of all such available amounts of specified annual expenditure; or
 - (b) in any other case—
 - (i) subject to subparagraph (ii), the amount of the proposed annual expenditure under the last budget prepared by the management committee for compliance with paragraph 1 of Schedule 5 before the initiation date for the procurement; or

- (ii) if the amount of a proposed annual expenditure mentioned in subparagraph (i) is not available—the amount of the proposed annual expenditure under the last budget prepared by the manager of the building in accordance with the deed of mutual covenant before the initiation date for the procurement.
- (4) For calculating an average of available amounts of specified annual expenditure for the purposes of subsection (3)(a), if the number of months that a relevant financial year comprises is not 12, the amount of specified annual expenditure that is available for the financial year (*subject expenditure amount*) is to be adjusted in accordance with the following formula—

$$A = B \div C \times 12$$

where—

- A means the subject expenditure amount as adjusted;
 - B means the subject expenditure amount; and
 - C means the number of months that the financial year comprises.
- (5) For the purposes of the formula in subsection (4), if the relevant financial year covers only a part, but not the whole, of a particular month (*specified month*), the specified month is to be counted towards item C of the formula to the extent of a fraction that is obtained by dividing the number under paragraph (a) by the number under paragraph (b)—
- (a) the number of days of the specified month that are covered by the financial year;
 - (b) the number of days of the whole specified month.

(6) In this section—

corporation financial year (法團財務年度), in relation to the management of a building, means each period for which a set of financial statements have been prepared under section 27(1)(b) in respect of the management of the building;

DMC financial year (公契財務年度), in relation to the management of a building, means each period for which a set of financial statements have been prepared under the deed of mutual covenant in respect of the management of the building;

financial year (財務年度), in relation to the management of a building—

- (a) subject to paragraph (b), means a corporation financial year in respect of the management of the building; or
- (b) to the extent that a period that falls before the initiation date for the procurement concerned is not covered by a corporation financial year—means a DMC financial year in respect of the management of the building;

specified annual expenditure (指明年度開支), in relation to a financial year, means—

- (a) if the financial year is a corporation financial year—the total expenditure of the corporation contained in the income and expenditure account that is prepared for the financial year in accordance with section 27; or
- (b) if the financial year is a DMC financial year—the total expenditure in respect of the management of the building contained in the income and

expenditure account that is prepared for the financial year in accordance with the mandatory DMC terms contained in paragraph 2 of Schedule 7.

2D. References to large-scale maintenance procurement

- (1) For the purposes of this Ordinance, the procurement of any supplies, goods or services required in the performance of a function under the deed of mutual covenant or this Ordinance is large-scale maintenance procurement if—
 - (a) the supplies, goods or services are so required for repairing, replacing, maintaining or improving any of the common parts of the building;
 - (b) the value of the supplies, goods or services divided by the total number of flats of the building exceeds, or is likely to exceed, \$30,000; and
 - (c) the procurement is not the procurement of—
 - (i) any cleaning or security services for the building; or
 - (ii) any building management services provided by the manager of the building.
- (2) In subsection (1)(b), a reference to flats does not include any garage, carpark or carport.
- (3) The Authority may by notice published in the Gazette amend the monetary amount specified in subsection (1)(b).

2E. Form of documents

- (1) For the purposes of this Ordinance—
 - (a) a document is in electronic form if it is in the form of an electronic record; and

- (b) a document is in hard copy form if it is in paper form or a similar form capable of being read.
- (2) For the purposes of this Ordinance, a document in electronic form is sent validly by a person (*sender*) to another person (*recipient*) if—
- (a) the recipient—
- (i) has agreed, generally or specifically, that the document may be sent to the recipient in the form of an electronic record; and
 - (ii) has not explicitly revoked the agreement;
- (b) the document is sent by the sender in the form of an electronic record to an address in an information system specified for the purpose by the recipient generally or specifically; and
- (c) the document is sent by the sender in a form, and by a means, that, in the sender's reasonable opinion, will enable the recipient—
- (i) to read the document, or, to the extent that it consists of images, to see the document, with the naked eye or with the eye with suitable corrective lens; and
 - (ii) to retain a copy of the document.
- (3) For the purposes of this Ordinance, a person (*requested person*) supplies another person (*requester*) with a document that the requester requests (*general request*) if—
- (a) in the case where the conditions specified in subsection (4) are met—the requested person validly supplies the requester with the document in electronic form; or

- (b) in any other case—the requested person supplies the requester with the document in hard copy form.
- (4) For the purposes of subsection (3)(a), the conditions are—
- (a) that the requester—
- (i) in making the general request, specifically requests the document in electronic form (*specific request*); and
 - (ii) specifically for the purpose, specifies an address in an information system (*specified address*); and
- (b) that the requested person agrees to the specific request.
- (5) For the purposes of subsection (3)(a), a requested person validly supplies the requester with the document in electronic form if—
- (a) the document is sent by the requested person in the form of an electronic record to the specified address; and
- (b) the document is sent by the requested person in a form, and by a means, that, in the requested person's reasonable opinion, will enable the requester—
- (i) to read the document, or, to the extent that it consists of images, to see the document, with the naked eye or with the eye with suitable corrective lens; and
 - (ii) to retain a copy of the document.
- (6) In this section—
- address* (地址) includes a number, or any sequence or combination of letters, characters, numbers or symbols of

any language, used for sending or receiving a document in electronic form;

electronic record (電子紀錄) means a record generated in digital form by an information system, which can be—

- (a) transmitted within an information system or from one information system to another; and
- (b) stored in an information system or other medium;

information system (資訊系統) has the meaning given by section 2(1) of the Electronic Transactions Ordinance (Cap. 553).”

5. **Section 3 amended (appointment of management committee)**

- (1) Section 3(1)—

Repeal paragraph (a)

Substitute

“(a) the manager of the building;”

- (2) Section 3(10)(e)(iii)—

Repeal

“information of the owner’s flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information”

Substitute

“a notice identifying the owner’s flat as one in respect of which the instrument is so lodged in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the notice”.

- (3) Section 3—

Repeal subsections (11) and (12).

- (4) Section 3(13)—

Repeal

“, (10), (11) and (12) shall”

Substitute

“and (10)”.

6. **Section 3A amended (appointment of management committee after application to the Authority)**

- (1) Section 3A(3H)(e)(iii)—

Repeal

“information of the owner’s flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information”

Substitute

“a notice identifying the owner’s flat as one in respect of which the instrument is so lodged in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the notice”.

- (2) Section 3A—

Repeal subsections (3I) and (3J).

- (3) Section 3A(3K)—

Repeal

“, (3H), (3I) and (3J) shall”

Substitute

“and (3H)”.

7. **Section 4 amended (appointment of management committee after application to tribunal)**

- (1) Section 4(12)(e)(iii)—

Repeal

“information of the owner’s flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information”

Substitute

“a notice identifying the owner’s flat as one in respect of which the instrument is so lodged in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the notice”.

(2) Section 4—

Repeal subsections (13) and (14).

(3) Section 4(15)—

Repeal

“, (12), (13) and (14) shall”

Substitute

“and (12)”.

8. Sections 4A and 4B added

After section 4—

Add

“4A. Keeping of proxy instruments for meetings of owners convened under section 3, 3A or 4

- (1) This section applies if any instruments for the appointment of proxies have been lodged, in respect of a meeting of owners convened under section 3, 3A or 4, with the convenor of the meeting.
- (2) Subject to subsection (4), the convenor must, during the period of 12 months after the conclusion of the meeting, keep all the instruments that are so lodged (*lodged proxy instrument*).

- (3) If a management committee has been appointed at the meeting—
 - (a) the convenor must, immediately after the conclusion of the meeting, deliver all the lodged proxy instruments to the management committee; and
 - (b) the management committee must, during the period of 12 months after the conclusion of the meeting, keep all the lodged proxy instruments that are so delivered.
- (4) Subsection (2) ceases to apply in relation to a lodged proxy instrument if the convenor complies with subsection (3)(a) in relation to the instrument.
- (5) If the meeting of owners concerned is adjourned, subsections (1), (2), (3) and (4) apply in relation to the adjourned meeting as they apply in relation to the original meeting.

4B. Offences relating to section 4A

- (1) If the convenor of the meeting of owners concerned contravenes section 4A(2), the convenor commits an offence and is liable on conviction to a fine at level 4.
- (2) In any proceedings for an offence under subsection (1), the person charged is entitled to be acquitted if—
 - (a) sufficient evidence is adduced to raise an issue that the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
 - (b) the contrary is not proved by the prosecution beyond reasonable doubt.
- (3) If a management committee contravenes section 4A(3)(b), every person who is a member or the secretary

(or both a member and the secretary) of the management committee commits an offence and is liable on conviction to a fine at level 4.

- (4) In any proceedings for an offence under subsection (3), the person charged is entitled to be acquitted if—
- (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person's consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
 - (b) the contrary is not proved by the prosecution beyond reasonable doubt.”.

9. **Section 8 amended (incorporation)**

After section 8(5)—

Add

“(6) The Authority may specify the form of any notice required for the purposes of paragraph 4A of Schedule 3.”.

10. **Section 11 amended (display of copy certificate of registration, etc.)**

- (1) Section 11(3)—

Repeal

everything after “level 1”

Substitute a full stop.

- (2) After section 11(3)—

Add

- “(4) In any proceedings for an offence under subsection (3), the person charged is entitled to be acquitted if—
- (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person's consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
 - (b) the contrary is not proved by the prosecution beyond reasonable doubt.”.

11. **Part IV, Division 1 heading added**

Before section 14—

Add

“Division 1—General”.

12. **Section 18 amended (duties and powers of corporation)**

Section 18(2)(aa)—

Repeal

“resolution passed at a general meeting”

Substitute

“a corporation resolution”.

13. **Part IV, Division 2 heading added**

Before section 20—

Add

“Division 2—Funds”.**14. Section 20 amended (establishment of funds)**

(1) Section 20(5)—

Repeal

“resolution of the management committee”

Substitute

“management committee resolution”.

(2) Section 20(6)—

Repeal

“resolution of the management committee”

Substitute

“management committee resolution”.

15. Section 20A repealed (supplies, goods and services)

Section 20A—

Repeal the section.**16. Section 21 amended (contributions to funds)**

Section 21(1A)—

Repeal

“resolution passed at a general meeting”

Substitute

“corporation resolution”.

17. Part IV, Division 3 heading added

Before section 26A—

Add**“Division 3—Legal Proceedings”.****18. Part IV, Division 4 heading added**

Before section 27—

Add**“Division 4—Accounts and Insurances”.****19. Section 27 substituted**

Section 27—

Repeal the section**Substitute****“27. Accounts of corporation: duties of management committee**

(1) A management committee must—

(a) maintain proper books or records of account, and other financial records, of the corporation; and

(b) prepare financial statements of the corporation that comply with subsection (2)—

(i) not later than 15 months after the date of the registration of the corporation; and

(ii) every 12 months after the preparation of financial statements under subparagraph (i).

(2) For the purposes of subsection (1)(b), the financial statements—

(a) must include—

(i) an income and expenditure account that gives a true and fair view of the financial transactions of the corporation for the period to which it relates; and

- (ii) a balance sheet that gives a true and fair view of the financial position of the corporation as at the date to which the income and expenditure account is made up;
- (b) must be signed by—
 - (i) the chairman of the management committee; and
 - (ii) the secretary or treasurer of the management committee; and
- (c) if either the total income or total expenditure of the corporation contained in the income and expenditure account, or both of them, exceed or are likely to exceed \$500,000—must be properly audited.
- (3) For the purposes of subsection (2)(c), any financial statements are properly audited if—
 - (a) the financial statements are audited by an accountant retained by the corporation as approved by a corporation resolution; and
 - (b) the accountant reports for the audit under paragraph (a) as to whether the financial statements are, in the accountant's opinion, properly prepared so as to give a true and fair view of—
 - (i) the financial transactions of the corporation for the period to which the income and expenditure account relates; and
 - (ii) the financial position of the corporation as at the date to which the income and expenditure account is made up,
 subject to any qualification that the accountant thinks fit.

- (4) The Authority may by notice published in the Gazette amend the monetary amount specified in subsection (2)(c).
- (5) A management committee must permit—
 - (a) the Authority;
 - (b) an authorized officer;
 - (c) an owner;
 - (d) the tenants' representative;
 - (e) a registered mortgagee; or
 - (f) any person duly authorized in writing in that behalf by an owner or registered mortgagee,
 to inspect, at any reasonable time, any books or records of account or any other financial records maintained by the management committee under subsection (1)(a) (*accounting documents*).
- (6) Each bill, invoice, voucher, receipt or any other document (each a *supporting document*) referred to in the accounting documents must be kept by the management committee during the period of 6 years after the date on which the management committee obtains the supporting document.
- (7) If any financial statements are prepared under subsection (1)(b), the management committee must—
 - (a) if the financial statements are required by subsection (2)(c) to be audited—
 - (i) produce a copy of the financial statements and a copy of the accountant's report in respect of the audit to the corporation at the first annual general meeting of the corporation that is convened under Schedule 3 since the

- corporation obtains the report from the accountant; and
- (ii) display a copy of the financial statements and a copy of the accountant's report in a prominent place in the building as soon as reasonably practicable after the corporation so obtains the report, and cause them to remain so displayed for at least 7 consecutive days; or
- (b) in any other case—
- (i) produce a copy of the financial statements to the corporation at the first annual general meeting of the corporation that is convened under Schedule 3 since the financial statements are signed in accordance with subsection (2)(b); and
 - (ii) display a copy of the financial statements in a prominent place in the building as soon as reasonably practicable after the statements are so signed, and cause it to remain so displayed for at least 7 consecutive days.”.

20. Sections 27A and 27B added

After section 27—

Add

“27A. Accounts of corporation: offences

- (1) If a management committee contravenes section 27(1) or (7)(a)(i) or (b)(i), every participant of the management committee commits an offence and is liable on conviction to a fine at level 5.

- (2) If a management committee contravenes section 27(6), every participant of the management committee commits an offence and is liable on conviction to a fine at level 4.
- (3) In any proceedings for an offence under subsection (1) or (2), the person charged is entitled to be acquitted if—
 - (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person's consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
 - (b) the contrary is not proved by the prosecution beyond reasonable doubt.

27B. Accounts of corporation: other supplementary provisions

- (1) Schedule 6 has effect with respect to—
 - (a) the maintenance of proper books or records of account, and other financial records, under section 27 (including the keeping of them);
 - (b) the inspection of any documents referred to in the books or records maintained under that section;
 - (c) the preparation of summaries of income and expenditure of the corporation; and
 - (d) the supply of copies of those summaries, and any financial statements and accountant's reports prepared under that section.
- (2) In the event of any inconsistency between—

- (a) section 27 or a provision in Schedule 6 (each an *accounts provision*); and
 - (b) the terms of a deed of mutual covenant or any other agreement,
- the accounts provision prevails.”.

21. **Section 28 amended (matters regarding insurance)**

- (1) Section 28(2)—

Repeal

everything after “level 5”

Substitute a full stop.

- (2) After section 28(2)—

Add

“(2A) In any proceedings for an offence under subsection (2), the person charged is entitled to be acquitted if—

- (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person’s consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
- (b) the contrary is not proved by the prosecution beyond reasonable doubt.”.

- (3) Section 28—

Repeal subsections (5) and (6)

Substitute

“(5) Subject to subsection (6AA), if a person (other than the Authority or an authorized officer) referred to in subsection (4) (*requester*) requests, in writing, the corporation to supply the requester with a copy of the policy of insurance or any receipt for the premium in respect of that policy, the management committee must supply the requester with the copy within 28 days after the date on which the request is made.

- (6) The management committee—

- (a) may impose a reasonable copying charge for supplying the requester with the copy in hard copy form; and
- (b) must not impose any charge for supplying the requester with the copy in electronic form.

- (6AA) If—

- (a) the request mentioned in subsection (5) is a request for a copy in hard copy form; and
- (b) the management committee imposes under subsection (6)(a) a copying charge for supplying the requester with the copy,

the management committee is not required to comply with the request unless the requester pays the charge.

(6AAB) If the Authority or an authorized officer requests, in writing, the corporation to supply the Authority or officer with a copy of the policy of insurance or any receipt for the premium in respect of that policy, the management committee must supply the Authority or officer with the copy—

- (a) without imposing any charge; and
- (b) within 28 days after the date on which the request is made.”.

22. Part IV, Division 5 added

After section 28—

Add**“Division 5—Procurement of Supplies, Goods or Services****Subdivision 1—General Requirements****28A. Compliance with Code of Practice**

- (1) The procurement of any supplies, goods or services required by a corporation in the performance of a function under the deed of mutual covenant or this Ordinance must comply with any Code of Practice concerning the procurement.
- (2) A contract for the procurement of any supplies, goods or services mentioned in subsection (1) is not void by reason only that the procurement does not comply with the Code of Practice.

28B. Keeping of procurement documents

- (1) If a contract is entered into for the procurement of any supplies, goods or services mentioned in section 28A(1), the management committee must, during the period of 6 years after the date on which the contract is entered into, keep all the procurement documents.
- (2) If a management committee contravenes subsection (1), every participant of the management committee commits an offence and is liable on conviction to a fine at level 4.
- (3) In any proceedings for an offence under subsection (2), the person charged is entitled to be acquitted if—

- (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person’s consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
- (b) the contrary is not proved by the prosecution beyond reasonable doubt.

(4) In subsection (1)—***procurement document*** (採購文件), in relation to the procurement of any supplies, goods or services—

- (a) means a document—
 - (i) that contains information that enables a person who inspects it to (whether with or without any other document) readily verify the financial liability incurred by the corporation for the procurement; or
 - (ii) that otherwise relates to the procurement, such as a tender document, copy of contract, statement of account and invoice; and
- (b) does not include a declaration made under Schedule 6B.

28C. Permitting inspection of procurement documents

- (1) A management committee—
 - (a) must, at the written request of not less than 5% of the owners, permit any of those owners or any person appointed by those owners to inspect, at any

- reasonable time, any document kept by the management committee under section 28B(1); and
- (b) must permit a person authorized under subsection (5) to inspect such a document at any reasonable time.
- (2) Subject to subsection (4), if a person who is permitted under subsection (1) to inspect any document (*requester*) requests, in writing, the corporation to supply the requester with a copy of the document, the management committee must supply the requester with the copy within 28 days after the date on which the request is made.
- (3) The management committee—
- (a) may impose a reasonable copying charge for supplying the requester with the copy in hard copy form; and
- (b) must not impose any charge for supplying the requester with the copy in electronic form.
- (4) If—
- (a) the request mentioned in subsection (2) is a request for a copy in hard copy form; and
- (b) the management committee imposes under subsection (3)(a) a copying charge for supplying the requester with the copy,
- the management committee is not required to comply with the request unless the requester pays the charge.
- (5) The court may, for the purposes of subsection (1)(b) and on an application of an owner, by order authorize the owner or any other person named in the application to inspect any document kept by the management committee under section 28B(1) if it is satisfied that—

- (a) the application is made in good faith; and
- (b) the inspection is for a proper purpose.
- (6) A management committee must permit the Authority or an authorized officer to inspect, at any reasonable time, any document kept by the management committee under section 28B(1).
- (7) If the Authority or an authorized officer requests, in writing, the corporation to supply the Authority or officer with a copy of the document, the management committee must supply the Authority or officer with the copy—
- (a) without imposing any charge; and
- (b) within 28 days after the date on which the request is made.

Subdivision 2—Specific Requirements for Certain Types of Procurement

28D. Type 1 high-value procurement

- (1) If the procurement of any supplies, goods or services mentioned in section 28A(1) is type 1 high-value procurement, the procurement must be conducted by an invitation to tender.
- (2) Moreover—
- (a) the requirements for tendering specified in Schedule 6A must be complied with in relation to the procurement; and
- (b) the requirements relating to declarations specified in Part 1 of Schedule 6B must be complied with in relation to the procurement.
- (3) However, subsections (1) and (2) do not apply in relation to the procurement if—

- (a) the supplies, goods or services to which the procurement relates (*target supplies, goods or services*) are of the same type as any supplies, goods or services that are for the time being supplied by a supplier for the building; and
- (b) it is decided by a corporation resolution that the target supplies, goods or services must be procured from that supplier on the terms and conditions that are specified in the resolution, instead of by an invitation to tender.

28E. Type 2 high-value procurement

- (1) If the procurement of any supplies, goods or services mentioned in section 28A(1) is type 2 high-value procurement, the procurement must be conducted by an invitation to tender.
- (2) Moreover—
 - (a) the requirements for tendering specified in Schedule 6A must be complied with in relation to the procurement;
 - (b) the requirements relating to declarations specified in Part 1 of Schedule 6B must be complied with in relation to the procurement;
 - (c) whether a tender submitted for the procurement is accepted or not must be decided by a corporation resolution; and
 - (d) despite anything to the contrary in a contract entered into for the procurement, the contract must not be varied or terminated by the corporation other than in accordance with a corporation resolution.

- (3) However, subsections (1) and (2)(a), (b) and (c) do not apply in relation to the procurement if—
 - (a) the supplies, goods or services to which the procurement relates (*target supplies, goods or services*) are of the same type as any supplies, goods or services that are for the time being supplied by a supplier for the building; and
 - (b) it is decided by a corporation resolution that the target supplies, goods or services must be procured from that supplier on the terms and conditions that are specified in the resolution, instead of by an invitation to tender.

28F. Large-scale maintenance procurement

- (1) If the procurement of any supplies, goods or services mentioned in section 28A(1) is large-scale maintenance procurement, the procurement must be conducted by an invitation to tender.
- (2) Moreover—
 - (a) the requirements for tendering specified in Schedule 6A must be complied with in relation to the procurement;
 - (b) the requirements relating to declarations specified in Parts 1 and 2 of Schedule 6B must be complied with in relation to the procurement;
 - (c) whether a tender submitted for the procurement is accepted or not must be decided by a corporation resolution;
 - (d) despite anything to the contrary in a contract entered into for the procurement, the contract must not be

- varied or terminated by the corporation other than in accordance with a corporation resolution; and
- (e) Schedule 6C has effect in relation to a general meeting of the corporation convened under Schedule 3 that concerns—
- (i) the acceptance of the tender; or
 - (ii) the variation or termination of the contract.

28G. Subdivision 1 not limited

This Subdivision does not limit Subdivision 1 of this Division.

Subdivision 3—Claims Arising from Contracts for Certain Types of Procurement

28H. Interpretation (Subdivision 3)

(1) In this Subdivision—

major procurement (重大採購) means—

- (a) type 1 high-value procurement;
 - (b) type 2 high-value procurement; or
 - (c) large-scale maintenance procurement.
- (2) In this Subdivision, a reference to complying with an essential requirement in relation to a contract for any major procurement is a reference to—
- (a) if the major procurement is type 1 high-value procurement—complying with section 28D(1) in relation to the procurement;
 - (b) if the major procurement is type 2 high-value procurement—
 - (i) complying with section 28E(1) in relation to the procurement;

- (ii) complying with section 28E(2)(c) in relation to the acceptance of the tender submitted by the tenderer with whom the contract has been entered into; or
 - (iii) complying with section 28E(2)(d) in relation to a variation or termination of the contract; or
- (c) if the major procurement is large-scale maintenance procurement—
- (i) complying with section 28F(1) in relation to the procurement;
 - (ii) complying with section 28F(2)(c) in relation to the acceptance of the tender submitted by the tenderer with whom the contract has been entered into;
 - (iii) complying with section 28F(2)(d) in relation to a variation or termination of the contract; or
 - (iv) meeting the voting-in-person threshold under paragraph 4 of Schedule 6C in relation to—
 - (A) the passing of a corporation resolution for compliance with section 28F(2)(c) in relation to the procurement; or
 - (B) the passing of a corporation resolution for compliance with section 28F(2)(d) in relation to the contract.

28I. Contracts voidable for non-compliance of essential requirements subject to court orders

- (1) A contract for any major procurement that is entered into by or on behalf of a corporation and in relation to which an essential requirement is not complied with—

- (a) subject to a corporation resolution mentioned in paragraph (b) or any order made by the court under section 28J(1), is not void by reason only that an essential requirement is not complied with in relation to the contract; and
 - (b) subject to any order made by the court under section 28J(1), may be avoided by a corporation resolution, but only for the reason that an essential requirement is not complied with in relation to the contract.
- (2) If the contract is a contract for large-scale maintenance procurement, Schedule 6C has effect in relation to a general meeting of the corporation convened under Schedule 3 that concerns the avoidance of the contract under subsection (1)(b).

28J. Court orders and directions for contracts

- (1) In any proceedings in relation to a contract for any major procurement that is entered into by or on behalf of a corporation, the court may make any orders (including an order that the contract is void or voidable) and give any directions in respect of the rights and obligations of the contractual parties that the court thinks fit having regard to all the circumstances of the case, including the following factors—
- (a) whether an essential requirement has been complied with in relation to the contract;
 - (b) whether the requirements for tendering specified in Schedule 6A have been complied with in relation to the procurement;
 - (c) whether the requirements relating to declarations specified in Schedule 6B have been complied with in relation to the procurement;

- (d) if the procurement is large-scale maintenance procurement—without limiting any other paragraph of this subsection, whether the requirements specified in Schedule 6C (other than essential requirements) (*Schedule 6C requirements*) have been complied with in relation to every meeting of the corporation concerning the procurement;
- (e) whether the procurement complies with any Code of Practice concerning the procurement;
- (f) whether the contract has been split from a contract that should have been made for the procurement of supplies, goods or services of greater value solely for avoiding—
 - (i) the compliance of an essential requirement in relation to the contract; or
 - (ii) if the procurement is large-scale maintenance procurement—without limiting subparagraph (i), the compliance of a Schedule 6C requirement in relation to a meeting of the corporation concerning the procurement;
- (g) whether the supplies, goods or services procured under the contract were urgently required;
- (h) the progress of any activities or works in relation to the supplies, goods or services;
- (i) whether the owners have benefited from the contract;
- (j) whether the owners have incurred any financial loss due to the contract and the extent of the loss;
- (k) whether the supplier of the supplies, goods or services has acted in good faith;

- (l) whether the supplier has benefited from the contract; and
 - (m) whether the supplier has incurred any financial loss due to the contract and the extent of the loss.
- (2) If the court, under subsection (1), makes an order that the contract is voidable at the instance of the corporation, it must also make an order that a general meeting of the corporation be convened and held in the way that the court thinks fit, so as to decide whether the contract is to be avoided.
- (3) In this section, a reference to a meeting of the corporation is a reference to a general meeting of the corporation convened under Schedule 3.

28K. Personal liability not affected

To avoid doubt, subject to section 29A, if—

- (a) a person enters into a contract for any major procurement on behalf of a corporation; and
- (b) an essential requirement is not complied with in relation to the contract,

the person may be personally liable for any claims arising from the contract.

Subdivision 4—Miscellaneous**28L. Power to amend monetary amounts specified in paragraph 5 of Schedule 6A**

The Authority may by notice published in the Gazette amend any monetary amount specified in paragraph 5 of Schedule 6A.

28M. Specification of form of declarations for Schedule 6B

The Authority may specify the form of any declaration required for the purposes of Schedule 6B.”

23. Part IV, Division 6 heading added

Before section 29—

Add

“**Division 6—Role of Management Committee**”.

24. Section 34D amended (interpretation)

(1) Section 34D(1)—

Repeal the definitions of *DMC manager* and *manager*.

(2) Section 34D—

Repeal subsection (3).

25. Section 34EA added

After section 34E—

Add

“34EA. Specification of form of declarations or notices for mandatory DMC terms

The Authority—

- (a) may specify the form of any declaration required for the purposes of the mandatory DMC terms contained in Division 4 of Part 2 of Schedule 7; and
- (b) may specify the form of any notice required for the purposes of the mandatory DMC terms contained in paragraph 41 of that Schedule.”.

26. Section 34F amended (terms added if consistent with deed of mutual covenant)

Section 34F(3)—

Repeal

everything after “so incorporated,”

Substitute

“be amended, deleted, or re-incorporated into the deed of mutual covenant—

- (a) if there is a corporation—by a corporation resolution; or
- (b) if there is no corporation—by an owners resolution.”.

27. Section 36A added

After section 36—

Add

“36A. Duty to keep certain documents concerning meetings

- (1) A management committee—
 - (a) must keep any certified minutes for a management committee meeting during the period of 6 years after the date on which they are certified in accordance with Schedule 2; and
 - (b) must keep any certified minutes for a corporation general meeting during the period of 6 years after the date on which they are certified in accordance with Schedule 3.
- (2) If an instrument for the appointment of a proxy has been lodged with the secretary of a management committee in respect of a corporation general meeting, the management

committee must keep the instrument during the period of 12 months after the conclusion of the meeting.

- (3) If a required document has been given to the secretary of a management committee for authorizing a person as an authorized natural person in respect of a corporation general meeting, the management committee must keep—
 - (a) if the required document is so given by lodging the original of it in hard copy form with the secretary—that original; or
 - (b) if the required document is so given by sending a copy of it in electronic form to the secretary—a copy of the required document in hard copy form,
 during the period of 3 years after the conclusion of the meeting.
- (4) If a management committee contravenes subsection (1), (2) or (3), every person who is a member or the secretary (or both a member and the secretary) of the management committee commits an offence and is liable on conviction to a fine at level 4.
- (5) In any proceedings for an offence under subsection (4), the person charged is entitled to be acquitted if—
 - (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person’s consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and

(b) the contrary is not proved by the prosecution beyond reasonable doubt.

(6) In this section—

corporation general meeting (法團業主大會), in relation to a management committee, means a general meeting of the corporation convened under Schedule 3;

management committee meeting (管理委員會會議), in relation to a management committee, means a meeting of the management committee convened under Schedule 2;

required document (相關文件) means an authorization notice mentioned in paragraph 4A of Schedule 3 (including any copy of resolution that the notice accompanies for compliance with that paragraph).”.

28. Section 40B amended (appointment of building management agent by order of Authority)

(1) Section 40B(2)—

Repeal

everything after “continues”

Substitute a full stop.

(2) After section 40B(2)—

Add

“(2A) In any proceedings for an offence under subsection (2), the person charged is entitled to be acquitted if—

- (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person’s consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the

circumstances to prevent the commission of the offence; and

(b) the contrary is not proved by the prosecution beyond reasonable doubt.”.

29. Section 40C amended (appointment of management committee or building management agent by order of tribunal)

(1) Section 40C—

Repeal subsections (12) and (13)

Substitute

“(12) Subject to subsection (13A), the convenor must, during the period of 12 months after the conclusion of the meeting, keep all the instruments for the appointment of proxies that have been lodged with the convenor in respect of the meeting (*lodged proxy instrument*).

(13) If a management committee or building management agent has been appointed at the meeting—

(a) the convenor must, immediately after the conclusion of the meeting, deliver all the lodged proxy instruments to the management committee or building management agent (as the case may be); and

(b) the management committee or building management agent (as the case may be) must, during the period of 12 months after the conclusion of the meeting, keep all the lodged proxy instruments that are so delivered.

(13A) Subsection (12) ceases to apply in relation to a lodged proxy instrument if the convenor complies with subsection (13)(a) in relation to the instrument.”.

(2) Section 40C(14)—

Repeal

“and (13) shall”

Substitute

“, (13) and (13A)”.

30. Section 40CA added

After section 40C—

Add**“40CA. Offences for contravening section 40C(12) or (13)**

- (1) If the convenor of the meeting of owners concerned contravenes section 40C(12), the convenor commits an offence and is liable on conviction to a fine at level 4.
- (2) If a management committee contravenes section 40C(13)(b), every person who is a member or the secretary (or both a member and the secretary) of the management committee commits an offence and is liable on conviction to a fine at level 4.
- (3) If the building management agent concerned contravenes section 40C(13)(b), the building management agent commits an offence and is liable on conviction to a fine at level 4.
- (4) In any proceedings for an offence under subsection (1) or (3), the person charged is entitled to be acquitted if—
 - (a) sufficient evidence is adduced to raise an issue that the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
 - (b) the contrary is not proved by the prosecution beyond reasonable doubt.

- (5) In any proceedings for an offence under subsection (2), the person charged is entitled to be acquitted if—
 - (a) sufficient evidence is adduced to raise an issue that—
 - (i) the offence was committed without the person’s consent or connivance; and
 - (ii) the person exercised all due diligence that the person ought to have exercised in the circumstances to prevent the commission of the offence; and
 - (b) the contrary is not proved by the prosecution beyond reasonable doubt.”.

31. Section 42 amended (power to amend Schedules)

- (1) Section 42—

Repeal subsection (1)**Substitute**

“(1) The Chief Executive in Council may, by order published in the Gazette, amend any Schedule to this Ordinance other than Schedule 9.”.

- (2) Section 42—

Repeal subsection (2).**32. Section 44 amended (Codes of Practice)**

- Section 44(1)(a)—

Repeal

“and services required by a corporation”

Substitute

“or services required by a corporation or an owner in the performance of a function under the deed of mutual covenant or this Ordinance.”.

33. Sections 44A and 44B added

Part VII, after section 44—

Add

“44A. Legal professional privilege

In complying with a request made by the Authority or an authorized officer in the performance of a function under this Ordinance, a person is not required to permit the inspection of any document, or to supply any document or information, that the person would on grounds of legal professional privilege be entitled to refuse to supply in legal proceedings.

44B. Transitional provisions for Building Management (Amendment) Ordinance 2023

- (1) If the initiation date for the procurement of any supplies, goods or services required by a corporation or an owner in the performance of a function under the deed of mutual covenant or this Ordinance precedes the date on which the Building Management (Amendment) Ordinance 2023 (of 2023) (*Amendment Ordinance*) comes into operation (*amendment date*), this Ordinance as in force immediately before the amendment date continues to apply in relation to the procurement as if the amendments to this Ordinance made by the Amendment Ordinance had not been made.
- (2) However, if, by the expiry of the period of 3 years after the amendment date (*grace period*), no contract for the procurement has been entered into by or on behalf of the corporation or the owners—

- (a) for the purposes of this Ordinance, any initiation decision made before the amendment date for the procurement is taken to have not been made, and accordingly the initiation date for the procurement would no longer precede the amendment date; and
- (b) because of paragraph (a), this Ordinance as amended by the Amendment Ordinance takes effect in relation to the procurement on the expiry of the grace period.”.

34. Section 45 amended (jurisdiction of tribunal in relation to building management)

- (1) Section 45(4)(e)—

Repeal

“within the meaning of Part VIA”.

- (2) Section 45(4)(f), English text—

Repeal

“that Part”

Substitute

“Part VIA”.

35. Schedule 2 amended (composition and procedure of management committee)

- (1) Schedule 2—

Repeal

“& 42 & Sch. 3]”

Substitute

“, 36A & 42 & Schs. 3 & 6B]”.

- (2) Schedule 2, paragraph 1(3)—

Repeal

“resolution of the owners passed at a general meeting of the corporation (except”

Substitute

“corporation resolution (except such a resolution passed at”.

- (3) Schedule 2, paragraph 2(6)(a)—

Repeal

“the provisions in section 3(7), (8), (9), (10), (11), (12), (13) and (14) shall”

Substitute

“sections 3(7), (8), (9), (10), (13) and (14), 4A and 4B”.

- (4) Schedule 2, paragraph 2(6)(b)—

Repeal

“the provisions in section 3A(3E), (3F), (3G), (3H), (3I), (3J), (3K) and (3L) shall”

Substitute

“sections 3A(3E), (3F), (3G), (3H), (3K) and (3L), 4A and 4B”.

- (5) Schedule 2, paragraph 2(6)(c)—

Repeal

“the provisions in section 4(9), (10), (11), (12), (13), (14), (15) and (16) shall”

Substitute

“sections 4(9), (10), (11), (12), (15) and (16), 4A and 4B”.

- (6) Schedule 2, paragraph 2(6)(d)—

Repeal

“the provisions in section 40C(8), (9), (10), (11), (12), (13), (14) and (15) shall”

Substitute

“sections 40C(8), (9), (10), (11), (12), (13), (13A), (14) and (15) and 40CA”.

- (7) Schedule 2, paragraph 4(2)(f)—

Repeal

“resolution of the corporation”

Substitute

“a corporation resolution”.

- (8) Schedule 2, paragraph 5(2)(a), (b) and (c), (2B)(a) and (2C)(a), before “resolution”—

Add

“corporation”.

- (9) Schedule 2, paragraph 6(3)(a), (4)(a) and (5)(a)—

Repeal

“resolution passed at a general meeting of the corporation”

Substitute

“corporation resolution”.

- (10) Schedule 2, paragraph 6(7)(a) and (8)(a), before “resolution”—

Add

“corporation”.

- (11) Schedule 2, paragraph 8(1)(b), before “request of”—

Add

“written”.

- (12) Schedule 2, after paragraph 8—

Add

“8A. In paragraphs 9, 10, 10A, 10B and 11A, a reference to a meeting of a management committee is a reference to such a meeting convened under paragraph 8.”.

(13) Schedule 2, Chinese text, paragraph 10(4)—

Repeal

“開會，有關會議過程的會議”

Substitute

“舉行會議，有關會議過程的”。

(14) Schedule 2, Chinese text, paragraph 10(4A)—

Repeal

everything after “節” and before “會議過程”

Substitute

“提述的關乎某管理委員會會議過程的紀錄，須由主持會議者核證為該”。

(15) Schedule 2, paragraph 10—

Repeal subparagraph (4B)

Substitute

“(4B) For every meeting of the management committee, the management committee must display the certified minutes in a prominent place in the building within 28 days after the date of the meeting, and cause the minutes to remain so displayed for at least 7 consecutive days.

Note—

See section 36A for the management committee’s duty to keep the certified minutes for a meeting of the management committee.”.

(16) Schedule 2, paragraph 10—

Repeal subparagraph (5).

(17) Schedule 2—

Repeal paragraph 10A

Substitute

“10A. (1) Subject to subparagraph (3), if a specified person requests, in writing, the corporation to supply the specified person with a copy of the certified minutes for a meeting of the management committee, the management committee must supply the specified person with the copy within 28 days after the date on which the request is made.

(2) The management committee—

(a) may impose a reasonable copying charge for supplying the specified person with the copy in hard copy form; and

(b) must not impose any charge for supplying the specified person with the copy in electronic form.

(3) If—

(a) the request mentioned in subparagraph (1) is a request for a copy in hard copy form; and

(b) the management committee imposes under subparagraph (2)(a) a copying charge for supplying the specified person with the copy,

the management committee is not required to comply with the request unless the specified person pays the charge.

(4) If the Authority or an authorized officer requests, in writing, the corporation to supply the Authority or officer with a copy of the certified minutes for a meeting of the management committee, the management committee must supply the Authority or officer with the copy—

(a) without imposing any charge; and

(b) within 28 days after the date on which the request is made.

(5) In this paragraph—

specified person (指明人士) means—

- (a) an owner;
- (b) the tenants' representative;
- (c) a registered mortgagee; or
- (d) any person duly authorized in writing by an owner or registered mortgagee to make a request mentioned in subparagraph (1)."

(18) Schedule 2, after paragraph 10A—

Add

- "10B. (1) Without limiting paragraphs 10 and 10A and section 36A, this paragraph applies in relation to a meeting of a management committee if—
- (a) a tender submitted for any large-scale maintenance procurement in respect of the building has been assessed at the meeting; or
 - (b) a proposal for varying or terminating, or avoiding under section 28I(1)(b), a contract for any large-scale maintenance procurement in respect of the building has been considered at the meeting.
- (2) The management committee must, within 28 days after the date of the meeting, supply each of the owners and the tenants' representative (if any) (*recipient*) with a copy of the certified minutes for the meeting—
- (a) by delivering a copy of the minutes in hard copy form personally to the recipient;
 - (b) by sending a copy of the minutes in hard copy form by post to the recipient at the recipient's last known address;

- (c) by leaving a copy of the minutes in hard copy form at the recipient's flat or depositing such a copy in the letter box for that flat; or
- (d) by sending validly a copy of the minutes in electronic form to the recipient."

(19) Schedule 2, after paragraph 11—

Add

"11A. Subject to this Ordinance, the procedure at meetings of a management committee is to be determined by the management committee."

36. **Schedule 3 amended (meetings and procedure of corporation)**

(1) Schedule 3—

Repeal

"[ss. 8, 10, 27, 30, 34D & 42 & Schs. 2 & 11]"

Substitute

"[ss. 2, 8, 10, 27, 28F, 28I, 28J, 30, 36A & 42 & Schs. 2, 6B, 6C, 7 & 11]"

(2) Schedule 3, paragraph 1(2), before "request of"—

Add

"written".

(3) Schedule 3, after paragraph 1—

Add

"1A. In this Schedule, a reference to a meeting of the corporation—

- (a) is a reference to a general meeting of the corporation convened under paragraph 1; and

(b) if a meeting mentioned in sub-subparagraph (a) is adjourned—includes the adjourned meeting.”

(4) Schedule 3, after paragraph 3(5)—

Add

“(5A) If—

- (a) a co-owner of a share is a corporate flat owner; and
- (b) an authorized natural person is available to act for the corporate flat owner for a meeting of the corporation,

for the purposes of subparagraph (5)(b), the authorized natural person is taken to be a co-owner eligible to be appointed under sub-sub-subparagraph (ii) of that subparagraph to cast the vote in respect of the share at the meeting.”

(5) Schedule 3, after paragraph 4(1)—

Add

“(1A) However, if the owner is a corporate flat owner and an authorized natural person is available to act for the corporate flat owner for the meeting—

- (a) if the corporate flat owner has not appointed a proxy for the meeting—the corporate flat owner is not permitted to do so; or
- (b) if the corporate flat owner has appointed a proxy for the meeting—the instrument appointing the proxy is regarded as revoked.”

(6) Schedule 3, paragraph 4(5)(a)(ii)—

Repeal

“information of the owner’s flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information”

Substitute

“a notice identifying the owner’s flat as one in respect of which the instrument is so lodged in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the notice”.

(7) Schedule 3, paragraph 4(5)(b)—

Repeal

“subparagraph (4)”

Substitute

“subparagraphs (1A) and (4)”.

(8) Schedule 3, paragraph 4—

Repeal subparagraph (6).

(9) Schedule 3, at the end of paragraph 4—

Add

“Note—

See section 36A for the management committee’s duty to keep the instruments for the appointment of proxies for a meeting of the corporation.”.

(10) Schedule 3, after paragraph 4—

Add

“4A. (1) A natural person authorized by a corporate flat owner under subparagraph (2)(b) in respect of a meeting of the corporation may act for the corporate flat owner for the meeting.

(2) A corporate flat owner may—

- (a) by a resolution of its directors or other governing body (*nomination resolution*) nominate 1 natural person; and

- (b) by written notice (*authorization notice*) given in accordance with subparagraph (4) authorize that person for the purposes of subparagraph (1).
- (3) Subparagraph (2) does not prevent a corporate flat owner from, after it has authorized a person as an authorized natural person in respect of a meeting of the corporation (*original authorized natural person*), authorizing another person as an authorized natural person in respect of the meeting in substitution of the original authorized natural person.
- (4) The authorization notice—
- (a) must be given in the specified form;
 - (b) must, despite anything to the contrary in the corporate flat owner's constitution, be—
 - (i) impressed with its seal or chop; and
 - (ii) signed by a person authorized by it in that behalf;
 - (c) must accompany a copy of the nomination resolution; and
 - (d) must be given to the secretary of the management committee at least 48 hours before the time for the holding of the meeting—
 - (i) by lodging the original of the notice in hard copy form with the secretary; or
 - (ii) by sending validly a copy of the notice in electronic form to the secretary.
- (5) If an authorization notice is given by a corporate flat owner to the secretary of the management committee in respect of a meeting of the corporation—
- (a) the secretary must—

- (i) acknowledge receipt of the notice before the time for the holding of the meeting—
 - (A) by leaving a receipt in hard copy form at the corporate flat owner's flat in the building or depositing such a receipt in the letter box for that flat; or
 - (B) by sending validly a receipt in electronic form to the corporate flat owner; and
 - (ii) display a notice identifying that flat as one in respect of which an authorization notice is so given in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the notice to remain so displayed until the conclusion of the meeting; and
- (b) the chairman of the management committee or, if the chairman is absent, the person who presides at the meeting must determine whether subparagraph (4) is complied with in relation to the authorization notice.

Note—

See section 36A for the management committee's duty to keep certain documents in respect of an authorization under paragraph 4A.

- 4B. (1) An authorized natural person who attends a meeting of the corporation on behalf of a corporate flat owner under paragraph 4A(1) is, for all purposes relating to the meeting, taken to be the corporate flat owner present at the meeting.
- (2) A corporate flat owner is, for all purposes relating to a meeting of the corporation, taken to cast a vote personally at the meeting if an authorized natural person casts a vote

on behalf of the corporate flat owner at the meeting under paragraph 4A(1).”.

- (11) Schedule 3, paragraph 5A—

Repeal subparagraph (1)

Substitute

“(1) This paragraph applies if a meeting of the corporation is adjourned.”.

- (12) Schedule 3, paragraph 5A(2)—

Repeal

“Where a meeting of the corporation convened under paragraph 1 is adjourned, a”

Substitute

“A”.

- (13) Schedule 3, after paragraph 5A(2)—

Add

“(3) A corporate flat owner’s authorized natural person for the original meeting is, for the purposes of this Schedule, also taken to be the corporate flat owner’s authorized natural person for the adjourned meeting unless—

- (a) contrary intention is shown on the notice given under paragraph 4A(2)(b) in respect of the original meeting (*original authorization notice*);
- (b) the original authorization notice is revoked; or
- (c) the corporate flat owner authorizes another person under paragraph 4A(2)(b) in respect of the adjourned meeting.”.

- (14) Schedule 3, paragraph 6(1)—

Repeal

“general”.

- (15) Schedule 3, paragraph 6(2)—

Repeal

“general”.

- (16) Schedule 3, paragraph 6—

Repeal subparagraph (3)

Substitute

“(3) For every meeting of the corporation, the management committee must display the certified minutes in a prominent place in the building within 28 days after the date of the meeting, and cause the minutes to remain so displayed for at least 7 consecutive days.

Note—

See section 36A for the management committee’s duty to keep the certified minutes for a meeting of the corporation.”.

- (17) Schedule 3—

Repeal paragraph 6A

Substitute

- “6A. (1) Subject to subparagraph (3), if a specified person requests, in writing, the corporation to supply the specified person with a copy of the certified minutes for a meeting of the corporation, the management committee must supply the specified person with the copy within 28 days after the date on which the request is made.
- (2) The management committee—
- (a) may impose a reasonable copying charge for supplying the specified person with the copy in hard copy form; and

(b) must not impose any charge for supplying the specified person with the copy in electronic form.

(3) If—

(a) the request mentioned in subparagraph (1) is a request for a copy in hard copy form; and

(b) the management committee imposes under subparagraph (2)(a) a copying charge for supplying the specified person with the copy,

the management committee is not required to comply with the request unless the specified person pays the charge.

(4) If the Authority or an authorized officer requests, in writing, the corporation to supply the Authority or officer with a copy of the certified minutes for a meeting of the corporation, the management committee must supply the Authority or officer with the copy—

(a) without imposing any charge; and

(b) within 28 days after the date on which the request is made.

(5) In this paragraph—

specified person (指明人士) means—

(a) an owner;

(b) the tenants' representative;

(c) a registered mortgagee; or

(d) any person duly authorized in writing by an owner or registered mortgagee to make a request mentioned in subparagraph (1).”.

(18) Schedule 3, paragraph 7—

Repeal

“The procedure at a general meeting shall be”

Substitute

“Subject to this Ordinance, the procedure at a meeting of the corporation is”.

37. **Schedule 5 amended (annual budget)**

(1) Schedule 5—

Repeal

“[ss.”

Substitute

“[ss. 2C,”.

(2) Schedule 5—

Repeal paragraph 4

Substitute

“4. (1) Subject to subparagraph (3), if a specified person requests, in writing, the corporation to supply the specified person with a copy of a budget referred to in this Schedule, the management committee must supply the specified person with the copy within 28 days after the date on which the request is made.

(2) The management committee—

(a) may impose a reasonable copying charge for supplying the specified person with the copy in hard copy form; and

(b) must not impose any charge for supplying the specified person with the copy in electronic form.

(3) If—

(a) the request mentioned in subparagraph (1) is a request for a copy in hard copy form; and

(b) the management committee imposes under subparagraph (2)(a) a copying charge for supplying the specified person with the copy,

the management committee is not required to comply with the request unless the specified person pays the charge.

(4) If the Authority or an authorized officer requests, in writing, the corporation to supply the Authority or officer with a copy of a budget referred to in this Schedule, the management committee must supply the Authority or officer with the copy—

- (a) without imposing any charge; and
- (b) within 28 days after the date on which the request is made.

(5) In this paragraph—

specified person (指明人士) means—

- (a) an owner;
- (b) the tenants' representative;
- (c) a registered mortgagee; or
- (d) any person duly authorized in writing by an owner or registered mortgagee to make a request mentioned in subparagraph (1)."

(3) Schedule 5—

Repeal paragraph 5.

38. Schedule 6 amended (accounts)

(1) Schedule 6—

Repeal

"[ss. 27]"

Substitute

"[ss. 27B".

(2) Schedule 6—

Repeal paragraph 1.

(3) Schedule 6, paragraph 1A(a), before "request"—

Add

"written".

(4) Schedule 6, paragraphs 1A(a) and (b) and 1B—

Repeal

"paragraph 1"

Substitute

"section 27(6)".

(5) Schedule 6—

Repeal paragraph 3

Substitute

"3. (1) Subject to subparagraph (3), if a specified person requests, in writing, the corporation to supply the specified person with a copy of—

- (a) any financial statements and, if applicable, accountant's report prepared under section 27; or
- (b) a summary of the income and expenditure of the corporation prepared under paragraph 2,

the management committee must supply the specified person with the copy within 28 days after the date on which the request is made.

(2) The management committee—

- (a) may impose a reasonable copying charge for supplying the specified person with the copy in hard copy form; and
 - (b) must not impose any charge for supplying the specified person with the copy in electronic form.
- (3) If—
- (a) the request mentioned in subparagraph (1) is a request for a copy in hard copy form; and
 - (b) the management committee imposes under subparagraph (2)(a) a copying charge for supplying the specified person with the copy,
- the management committee is not required to comply with the request unless the specified person pays the charge.
- (4) If the Authority or an authorized officer requests, in writing, the corporation to supply the Authority or officer with a copy of any document mentioned in subparagraph (1), the management committee must supply the Authority or officer with the copy—
- (a) without imposing any charge; and
 - (b) within 28 days after the date on which the request is made.
- (5) In this paragraph—
- specified person** (指明人士) means—
- (a) an owner;
 - (b) the tenants' representative;
 - (c) a registered mortgagee; or
 - (d) any person duly authorized in writing by an owner or registered mortgagee to make a request mentioned in subparagraph (1).”.

- (6) Schedule 6—
Repeal paragraph 4.

39. Schedules 6A, 6B and 6C added

After Schedule 6—

Add

“Schedule 6A

[ss.-28D, 28E, 28F, 28J,
28L & 42 & Sch. 7]

**Requirements for Tendering Specified for
Subdivision 2 of Division 5 of Part IV**

1. Interpretation (Schedule 6A)

In this Schedule—

deadline (入標期限), in relation to the submission of a tender for any procurement, means the time after which the submission may no longer be made under—

- (a) subject to sub-subparagraph (b), the terms of the invitation to tender issued for the procurement; or
- (b) if the invitation is revised—the terms of the revised invitation issued for the procurement.

2. Content of invitation to tender

- (1) An invitation to tender issued for the procurement must set out clearly—
 - (a) the nature of the supplies, goods or services to which the procurement relates; and

(b) a specified time on a specified day after which a tender may no longer be submitted for the procurement.

- (2) To avoid doubt, subparagraph (1)(b) does not prevent the invitation to tender from containing any terms in respect of a postponement, for reasons such as inclement weather, of the time after which a tender may no longer be submitted for the procurement.
- (3) In this paragraph, a reference to an invitation to tender issued for the procurement includes, if applicable, any revised invitation to tender issued for the procurement.

3. Display of copy of invitation to tender

- (1) If an invitation to tender is issued for the procurement, the management committee must display a copy of the invitation in a prominent place in the building as soon as reasonably practicable after the invitation is issued, and cause it to remain so displayed until the deadline for the submission of a tender for the procurement.
- (2) If a revised invitation to tender is issued for the procurement—
- (a) the requirement under this paragraph to cause a copy of the previous version of the invitation to remain displayed in a prominent place in the building ceases to apply; and
- (b) the management committee must display a copy of the revised invitation in a prominent place in the building as soon as reasonably practicable after the revised invitation is issued, and cause it to remain so displayed until the deadline for the submission of a tender for the procurement.

4. No acceptance of tender submitted after deadline

Any tender submitted for the procurement after the deadline must not be accepted.

5. No acceptance of tender without approval under certain circumstances

- (1) Subject to subparagraph (4), unless an invitation to tender issued for the procurement is advertised (such as in a local newspaper or on a website) and is open to any potential suppliers, no tender may be accepted for the procurement if—
- (a) the procurement is the procurement of any supplies, goods or services the value of which exceeds, or is likely to exceed, \$200,000, and the invitation has not been specifically issued to 5 or more potential suppliers; or
- (b) the procurement is the procurement of any supplies, goods or services the value of which—
- (i) exceeds, or is likely to exceed, \$10,000; but
- (ii) does not exceed, or is unlikely to exceed, \$200,000,
- and the invitation has not been specifically issued to 3 or more potential suppliers.
- (2) For the purposes of subparagraph (1), an invitation to tender is specifically issued to a person if it is issued—
- (a) by delivering a copy of the invitation in hard copy form personally to the person;
- (b) by sending a copy of the invitation in hard copy form by post, or by courier service, to the person at the person's last known business address; or

- (c) by sending validly a copy of the invitation in electronic form to the person.
- (3) To avoid doubt, for the purposes of subparagraph (1), a display of an invitation to tender for compliance with paragraph 3 is not regarded as an advertisement of the invitation.
- (4) Subparagraph (1) does not have any effect in relation to the procurement if it is so decided by—
 - (a) if the procurement is type 1 high-value procurement—a management committee resolution; or
 - (b) if the procurement is type 2 high-value procurement or large-scale maintenance procurement—a corporation resolution.
- (5) In this paragraph, a reference to an invitation to tender issued for the procurement includes, if applicable, any revised invitation to tender issued for the procurement.

Schedule 6B

[ss. 2, 28B, 28D, 28E,
28F, 28J, 28M & 42]

Requirements Relating to Declarations Specified for Subdivision 2 of Division 5 of Part IV

Part 1

Declarations of Interests or Connections etc. and Related Restrictions

Division 1—Declarations by Participants of Management Committee

- 1. Declarations of interests or connections for tenders submitted**
 - (1) If a participant of the management committee becomes aware that, before a contract is entered into for the procurement, the participant has any pecuniary or other personal interest in a tender submitted for the procurement, the participant must, as soon as reasonably practicable after becoming so aware, declare the interest in accordance with paragraphs 2 and 3.
 - (2) If a participant of the management committee becomes aware that, before a contract is entered into for the procurement, the participant has any connection with a person who has submitted a tender for the procurement, the participant must, as soon as reasonably practicable after becoming so aware, declare the connection in accordance with paragraphs 2 and 3.
- 2. Form of declarations**
 - (1) The declaration must be made in the specified form.

- (2) If a person who makes the declaration is a body corporate, then despite anything to the contrary in its constitution, the declaration must be—
- (a) impressed with its seal or chop; and
 - (b) signed by a person authorized by it in that behalf.

3. Persons to whom declarations are made

- (1) The declaration must be made to—
- (a) subject to sub-subparagraph (b)—
 - (i) if the person who makes the declaration (*declarant*) is neither the chairman nor secretary of the management committee—the chairman or secretary of the management committee;
 - (ii) if the declarant is the chairman of the management committee—the secretary of the management committee; or
 - (iii) if the declarant is the secretary of the management committee—the chairman of the management committee; or
 - (b) if making the declaration under sub-subparagraph (a) is impracticable for reasons such as vacancy in an office—every member of the management committee (not including the declarant).
- (2) For the purposes of this paragraph, a declaration is made to a person if—
- (a) the declaration in hard copy form (whether being the original copy or otherwise) is lodged with the person; or
 - (b) a copy of the declaration in electronic form is sent validly to the person.

4. Display of notice of declarations

- (1) If a declaration under paragraph 1 has been made, the management committee must display a notice of the declaration that complies with subparagraph (2) in a prominent place in the building within 7 days after the date on which the declaration is made, and cause it to remain so displayed for at least 7 consecutive days.
- (2) The notice—
- (a) must identify the procurement and tender concerned;
 - (b) must specify whether the person who made the declaration assumes a particular office of the management committee and, if so, which office; and
 - (c) must contain a statement indicating the right to inspect a copy of the declaration under paragraph 6(2).
- (3) If a declaration is made to different members of the management committee as required by paragraph 3(1)(b) and is so made on different dates, then for the purposes of subparagraph (1), the last such date is taken to be the date on which the declaration is made.

5. Specific meeting procedure relating to declarations

- (1) If a declaration under paragraph 1 has been made, the management committee must ensure that—
- (a) a copy of the declaration is produced to the management committee at the first meeting of the management committee convened under Schedule 2 since the making of the declaration; and

- (b) a copy of a notice mentioned in paragraph 4(1) is attached to the minutes of the proceedings at the meeting kept under this Ordinance.
- (2) Subparagraph (1) does not limit Schedule 2 in relation to the procedure at a meeting of a management committee convened under that Schedule.

6. Keeping of and permitting inspection of declarations

- (1) If a declaration under paragraph 1 has been made in relation to the procurement, the management committee must, during the period of 6 years after the date on which a contract is entered into for the procurement, keep a copy of the declaration.
- (2) The management committee must permit a specified person to inspect the copy at any reasonable time.
- (3) In this paragraph—
specified person (指明人士) means—
 - (a) the Authority;
 - (b) an authorized officer;
 - (c) an owner;
 - (d) the tenants' representative;
 - (e) a registered mortgagee; or
 - (f) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (2).

7. Prohibition from attending meetings of management committee

- (1) A person who has made a declaration under paragraph 1 in relation to the procurement (*declarant*)—

- (a) must not preside over or otherwise attend a meeting of the management committee convened under Schedule 2 to the extent that it concerns the procurement; and
- (b) accordingly must not be counted toward the quorum at the meeting to that extent.
- (2) If a declarant is absent from a meeting in compliance with subparagraph (1), the person presiding over the meeting must ensure that the minutes of the proceedings at the meeting kept under this Ordinance (*meeting minutes*) contain a record of the fact that the declarant is so absent.
- (3) A declarant is exempt from subparagraph (1) if it is so decided by—
 - (a) a management committee resolution; or
 - (b) a corporation resolution,
 but even so the declarant must not vote on any proposed resolution of the management committee concerning the procurement at the meeting of the management committee.
- (4) A resolution for exempting a declarant under subparagraph (3) (*exemption resolution*) must not be proposed at a meeting unless the reasons for proposing the resolution are given at the meeting.
- (5) The person presiding over a meeting at which an exemption resolution is proposed must ensure that the meeting minutes contain the reasons mentioned in subparagraph (4).
- (6) A declarant must not vote on any proposed exemption resolution concerning the procurement.
- (7) In the event of an inconsistency between a management committee resolution, and a corporation resolution,

mentioned in subparagraph (3), the corporation resolution prevails to the extent of the inconsistency.

- (8) If a declarant is the secretary of the management committee (*original secretary*), the management committee must appoint another person to act as the secretary of the management committee for the duration for which the original secretary is absent from a meeting in compliance with subparagraph (1).
- (9) This paragraph—
 - (a) does not limit Schedule 2 in relation to the procedure at a meeting of a management committee convened under that Schedule; and
 - (b) does not limit Schedule 3 or 6C in relation to the procedure at a general meeting of a corporation convened under Schedule 3.

8. Prohibition from participating in procurement activities

A person who has made a declaration under paragraph 1 in relation to the procurement must not participate in any assessment of tenders submitted for the procurement or any negotiation or other activity relating to the procurement.

Division 2—Declarations by Responsible Persons

9. Declarations of dealings or connections with members of management committee

- (1) If a responsible person for the procurement becomes aware that, after the initiation decision is made for the procurement but before a contract is entered into for it, the responsible person has any pecuniary or other personal dealing with a member of the management committee, the responsible person must, as soon as reasonably

practicable after becoming so aware, declare the dealing in accordance with paragraphs 11 and 12.

- (2) If a responsible person for the procurement becomes aware that, after the initiation decision is made for the procurement but before a contract is entered into for it, the responsible person has any connection with a member of the management committee, the responsible person must, as soon as reasonably practicable after becoming so aware, declare the connection in accordance with paragraphs 11 and 12.

10. Declarations of interests or connections for tenders submitted

- (1) If a responsible person for the procurement becomes aware that, before a contract is entered into for the procurement, the responsible person has any pecuniary or other personal interest in a tender submitted for the procurement, the responsible person must, as soon as reasonably practicable after becoming so aware, declare the interest in accordance with paragraphs 11 and 12.
- (2) If a responsible person for the procurement becomes aware that, before a contract is entered into for the procurement, the responsible person has any connection with a person who has submitted a tender for the procurement, the responsible person must, as soon as reasonably practicable after becoming so aware, declare the connection in accordance with paragraphs 11 and 12.

11. Form of declarations

- (1) The declaration must be made in the specified form.

- (2) If a person who makes the declaration is a body corporate, then despite anything to the contrary in its constitution, the declaration must be—
- (a) impressed with its seal or chop; and
 - (b) signed by a person authorized by it in that behalf.

12. Persons to whom declarations are made

- (1) The declaration must be made to—
- (a) subject to sub-subparagraph (b), the chairman or secretary of the management committee; or
 - (b) if making the declaration under sub-subparagraph (a) is impracticable for reasons such as vacancy in an office—every member of the management committee.
- (2) For the purposes of this paragraph, a declaration is made to a person if—
- (a) the declaration in hard copy form (whether being the original copy or otherwise) is lodged with the person; or
 - (b) a copy of the declaration in electronic form is sent validly to the person.

13. Display of notice of declarations

- (1) If a declaration under paragraph 9 or 10 has been made, the management committee must display a notice of the declaration that complies with subparagraph (2) in a prominent place in the building within 7 days after the date on which the declaration is made, and cause it to remain so displayed for at least 7 consecutive days.
- (2) The notice—
- (a) must identify—

- (i) the procurement concerned and, for a declaration under paragraph 10, the tender concerned; and
 - (ii) the person who made the declaration;
- (b) must specify in which of the following capacities the person made the declaration—
- (i) the manager of the building;
 - (ii) a person who is accustomed or obliged to act in accordance with the directions or instructions of the manager in connection with the management of the building; and
- (c) must contain a statement indicating the right to inspect a copy of the declaration under paragraph 15(2).
- (3) If a declaration is made to different members of the management committee as required by paragraph 12(1)(b) and is so made on different dates, then for the purposes of subparagraph (1), the last such date is taken to be the date on which the declaration is made.

14. Specific meeting procedure relating to declarations

- (1) If a declaration under paragraph 9 or 10 has been made, the management committee must ensure that—
- (a) a copy of the declaration is produced to the management committee at the first meeting of the management committee convened under Schedule 2 since the making of the declaration; and
 - (b) a copy of a notice mentioned in paragraph 13(1) is attached to the minutes of the proceedings at the meeting kept under this Ordinance.

- (2) Subparagraph (1) does not limit Schedule 2 in relation to the procedure at a meeting of a management committee convened under that Schedule.

15. Keeping of and permitting inspection of declarations

- (1) If a declaration under paragraph 9 or 10 has been made in relation to the procurement, the management committee must, during the period of 6 years after the date on which a contract is entered into for the procurement, keep a copy of the declaration.
- (2) The management committee must permit a specified person to inspect the copy at any reasonable time.
- (3) In this paragraph—
specified person (指明人士) means—
- (a) the Authority;
 - (b) an authorized officer;
 - (c) an owner;
 - (d) the tenants' representative;
 - (e) a registered mortgagee; or
 - (f) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (2).

16. Prohibition from participating in procurement activities

- (1) A person who has made a declaration under paragraph 10 in relation to the procurement must not participate in any assessment of tenders submitted for the procurement or any negotiation or other activity relating to the procurement.

- (2) A person mentioned in subparagraph (1) is exempt from that subparagraph if it is so decided by—
- (a) a management committee resolution; or
 - (b) a corporation resolution.
- (3) A resolution for exempting a person under subparagraph (2) (*exemption resolution*) must not be proposed at a meeting unless the reasons for proposing the resolution are given at the meeting.
- (4) The person presiding over a meeting at which an exemption resolution is proposed must ensure that the minutes of the proceedings at the meeting kept under this Ordinance contain the reasons mentioned in subparagraph (3).
- (5) In the event of an inconsistency between a management committee resolution, and a corporation resolution, mentioned in subparagraph (2), the corporation resolution prevails to the extent of the inconsistency.
- (6) This paragraph—
- (a) does not limit Schedule 2 in relation to the procedure at a meeting of a management committee convened under that Schedule; and
 - (b) does not limit Schedule 3 or 6C in relation to the procedure at a general meeting of a corporation convened under Schedule 3.

Part 2

Declarations of No Interest or Connection for Large-scale Maintenance Procurement

Division 1—Declarations by Participants of Management Committee

17. Declaration of no interest or connection for tenders submitted

If any tender has been submitted for the large-scale maintenance procurement, every participant of the management committee must, before the first tender acceptance meeting is held, declare in accordance with paragraphs 18 and 19—

- (a) that the participant, as at the date of the declaration—
 - (i) if the participant has declared an interest under paragraph 1(1) in respect of the tender—does not have any pecuniary or other personal interest in the tender except for the interest so declared; or
 - (ii) in any other case—does not have any pecuniary or other personal interest in the tender; and
- (b) that the participant, as at the date of the declaration—
 - (i) if the participant has declared a connection under paragraph 1(2) in respect of the tender—does not have any connection with a

person who has submitted the tender except for the connection so declared; or

- (ii) in any other case—does not have any connection with a person who has submitted the tender.

18. Form of declarations

- (1) The declaration must be made in the specified form.
- (2) If a person who makes the declaration is a body corporate, then despite anything to the contrary in its constitution, the declaration must be—
 - (a) impressed with its seal or chop; and
 - (b) signed by a person authorized by it in that behalf.

19. Persons to whom declarations are made

- (1) The declaration must be made to—
 - (a) subject to sub-subparagraph (b)—
 - (i) if the person who makes the declaration (*declarant*) is neither the chairman nor secretary of the management committee—the chairman or secretary of the management committee;
 - (ii) if the declarant is the chairman of the management committee—the secretary of the management committee; or
 - (iii) if the declarant is the secretary of the management committee—the chairman of the management committee; or
 - (b) if making the declaration under sub-subparagraph (a) is impracticable for reasons such as vacancy in

an office—every member of the management committee (not including the declarant).

- (2) For the purposes of this paragraph, a declaration is made to a person if—
 - (a) the declaration in hard copy form (whether being the original copy or otherwise) is lodged with the person; or
 - (b) a copy of the declaration in electronic form is sent validly to the person.

20. Specific meeting procedure relating to declarations for first tender acceptance meeting

- (1) For every declaration that has been made under paragraph 17, the management committee must ensure that a document in respect of the declaration that complies with subparagraph (2) is attached to the minutes of the proceedings at the first tender acceptance meeting kept under this Ordinance.
- (2) The document—
 - (a) must identify the procurement and tender concerned;
 - (b) must specify whether the person who made the declaration assumes a particular office of the management committee and, if so, which office; and
 - (c) must contain a statement indicating the right to inspect a copy of the declaration under paragraph 21(2).
- (3) Subparagraph (1) does not limit Schedule 3 or 6C in relation to the procedure at a general meeting of a corporation convened under Schedule 3.

21. Keeping of and permitting inspection of declarations

- (1) If a declaration under paragraph 17 has been made in relation to the large-scale maintenance procurement, the management committee must, during the period of 6 years after the date on which a contract is entered into for the procurement, keep a copy of the declaration.
- (2) The management committee must permit a specified person to inspect the copy at any reasonable time.
- (3) In this paragraph—

specified person (指明人士) means—

- (a) the Authority;
- (b) an authorized officer;
- (c) an owner;
- (d) the tenants' representative;
- (e) a registered mortgagee; or
- (f) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (2).

Division 2—Declarations by Responsible Persons

22. Declaration of no interest or connection for tenders submitted

If any tender has been submitted for the large-scale maintenance procurement, every responsible person for the procurement must, before the first tender acceptance meeting is held, declare in accordance with paragraphs 23 and 24—

- (a) that the responsible person, as at the date of the declaration—

- (i) if the responsible person has declared an interest under paragraph 10(1) in respect of the tender—does not have any pecuniary or other personal interest in the tender except for the interest so declared; or
 - (ii) in any other case—does not have any pecuniary or other personal interest in the tender; and
- (b) that the responsible person, as at the date of the declaration—
- (i) if the responsible person has declared a connection under paragraph 10(2) in respect of the tender—does not have any connection with a person who has submitted the tender except for the connection so declared; or
 - (ii) in any other case—does not have any connection with a person who has submitted the tender.

23. Form of declarations

- (1) The declaration must be made in the specified form.
- (2) If a person who makes the declaration is a body corporate, then despite anything to the contrary in its constitution, the declaration must be—
 - (a) impressed with its seal or chop; and
 - (b) signed by a person authorized by it in that behalf.

24. Persons to whom declarations are made

- (1) The declaration must be made to—
 - (a) subject to sub-subparagraph (b), the chairman or secretary of the management committee; or

- (b) if making the declaration under sub-subparagraph (a) is impracticable for reasons such as vacancy in an office—every member of the management committee.
- (2) For the purposes of this paragraph, a declaration is made to a person if—
- (a) the declaration in hard copy form (whether being the original copy or otherwise) is lodged with the person; or
 - (b) a copy of the declaration in electronic form is sent validly to the person.

25. Specific meeting procedure relating to declarations for first tender acceptance meeting

- (1) For every declaration that has been made under paragraph 22, the management committee must ensure that a document in respect of the declaration that complies with subparagraph (2) is attached to the minutes of the proceedings at the first tender acceptance meeting kept under this Ordinance.
- (2) The document—
 - (a) must identify—
 - (i) the procurement and tender concerned; and
 - (ii) the person who made the declaration;
 - (b) must specify in which of the following capacities the person made the declaration—
 - (i) the manager of the building;
 - (ii) a person who is accustomed or obliged to act in accordance with the directions or instructions of the manager in connection with the management of the building; and

(c) must contain a statement indicating the right to inspect a copy of the declaration under paragraph 26(2).

(3) Subparagraph (1) does not limit Schedule 3 or 6C in relation to the procedure at a general meeting of a corporation convened under Schedule 3.

26. Keeping of and permitting inspection of declarations

(1) If a declaration under paragraph 22 has been made in relation to the large-scale maintenance procurement, the management committee must, during the period of 6 years after the date on which a contract is entered into for the procurement, keep a copy of the declaration.

(2) The management committee must permit a specified person to inspect the copy at any reasonable time.

(3) In this paragraph—

specified person (指明人士) means—

- (a) the Authority;
- (b) an authorized officer;
- (c) an owner;
- (d) the tenants' representative;
- (e) a registered mortgagee; or
- (f) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (2).

Schedule 6C

[ss. 28F, 28H, 28I, 28J &
42 & Schs. 6B, 7 & 11]

Specific Procedure at General Meetings of Corporations Concerning Large-scale Maintenance Procurement

Part 1

Preliminary

1. Interpretation (Schedule 6C)

- (1) In this Schedule, a reference to a meeting of a corporation—
 - (a) is a reference to a general meeting of the corporation convened under Schedule 3; and
 - (b) if a meeting mentioned in sub-subparagraph (a) is adjourned—includes the adjourned meeting.
- (2) In this Schedule, a reference to a proposed large-scale maintenance procurement resolution is a reference to a proposed resolution of the owners for deciding—
 - (a) whether a tender submitted for any large-scale maintenance procurement is to be accepted or not; or
 - (b) whether a contract entered into for any large-scale maintenance procurement—
 - (i) is to be varied or not;

- (ii) is to be terminated or not; or
- (iii) is to be avoided under section 28I(1)(b) or not.

2. Schedule 3 not limited unless inconsistent

This Schedule does not limit Schedule 3 in relation to the procedure at a meeting of a corporation to the extent that Schedule 3 is consistent with this Schedule.

Part 2

Procedure

3. Notices of meeting

- (1) If a resolution that is to be proposed at a meeting of a corporation is a proposed large-scale maintenance procurement resolution, the statement in the notice of the meeting specifying the proposed resolution for compliance with paragraph 2(1AA)(b) of Schedule 3 must be titled “**Important Reminder**” in English and “**重要提示**” in Chinese.
- (2) If the proposed large-scale maintenance procurement resolution concerns the question mentioned in paragraph 1(2)(a), the notice of the meeting must, in relation to each tender that is valid under the terms of the relevant invitation to tender, set out clearly and legibly—
 - (a) the estimated amount to be contributed from each building management fund for the procurement; and
 - (b) the estimated apportioned amount that each of the owners is to contribute for the procurement in addition to a contribution mentioned in sub-subparagraph (a).

- (3) If the proposed large-scale maintenance procurement resolution concerns a question mentioned in paragraph 1(2)(b) and the corporation or the owners (or both of the corporation and the owners) are expected to incur any financial liability (including legal costs) because of the relevant variation, termination or avoidance of contract, the notice of the meeting must set out clearly and legibly—
 - (a) the estimated amount to be contributed from each building management fund for settling the costs; and
 - (b) the estimated apportioned amount that each of the owners is to contribute for settling the costs in addition to a contribution mentioned in sub-subparagraph (a).
- (4) To avoid doubt, even if the estimated amount mentioned in subparagraph (2) or (3) is zero, that subparagraph does require such an amount to be set out in accordance with that subparagraph.
- (5) In this paragraph—

building management fund (建築物管理基金) means—

 - (a) a general fund established and maintained by the corporation under section 20(1);
 - (b) a contingency fund established and maintained by the corporation under section 20(2);
 - (c) a special fund established and maintained by the manager of the building under the mandatory DMC terms contained in paragraph 4(1) of Schedule 7; or
 - (d) any fund other than the special fund that is established and maintained by the manager of the building for performing a function under the deed of mutual covenant or this Ordinance.

4. Voting-in-person threshold

- (1) The voting in respect of a proposed large-scale maintenance procurement resolution at a meeting of a corporation is subject to a voting-in-person threshold specified under subparagraph (2).
- (2) The voting-in-person threshold is the lesser of—
 - (a) 5% of the owners; or
 - (b) 100 owners.

5. Recording of votes cast personally and by proxy

If votes have been cast for a proposed large-scale maintenance procurement resolution at a meeting of a corporation, the person presiding over the meeting must not certify the minutes of the proceedings at the meeting under paragraph 6(2) of Schedule 3 unless the person is satisfied that the minutes contain a clear and legible record of—

- (a) the total number of such votes cast personally; and
- (b) the total number of such votes cast by proxy.

6. Supply of copies of minutes of proceedings at meetings

- (1) This paragraph applies if a proposed large-scale maintenance procurement resolution is considered at a meeting of a corporation.
- (2) The management committee must, within 28 days after the date of the meeting, supply each of the owners and the tenants' representative (if any) (*recipient*) with a copy of the certified minutes for the meeting—
 - (a) by delivering a copy of the minutes in hard copy form personally to the recipient;

- (b) by sending a copy of the minutes in hard copy form by post to the recipient at the recipient's last known address;
- (c) by leaving a copy of the minutes in hard copy form at the recipient's flat or depositing such a copy in the letter box for that flat; or
- (d) by sending validly a copy of the minutes in electronic form to the recipient.”.

40. Schedule 7 amended (mandatory terms in deeds of mutual covenant)

- (1) Schedule 7—

Repeal

“[ss. 34D, 34E, 34J, 40D & 42]”

Substitute

“[ss. 2, 2C, 34D, 34E, 34EA, 34J, 40D & 42 & Schs. 6C & 11]”.

- (2) Schedule 7, before paragraph 1—

Add**“Part 1****General Provisions Relating to Managers****Division 1—General Duties of Managers”.**

- (3) Schedule 7, paragraph 1(6)—

Repeal

“resolution of the owners”

Substitute

“corporation resolution”.

- (4) Schedule 7, paragraph 1—

Repeal subparagraph (7)

Substitute

“(7) Subject to subparagraph (7B), if an owner requests, in writing, the manager to supply the owner with a copy of any draft budget, budget or revised budget, the manager must supply the owner with the copy within 28 days after the date on which the request is made.

- (7A) The manager—

- (a) may impose a reasonable copying charge for supplying the owner with the copy in hard copy form; and
 (b) must not impose any charge for supplying the owner with the copy in electronic form.

- (7B) If—

- (a) the request mentioned in subparagraph (7) is a request for a copy in hard copy form; and
 (b) the manager imposes under subparagraph (7A)(a) a copying charge for supplying the owner with the copy,

the manager is not required to comply with the request unless the owner pays the charge.”.

- (5) Schedule 7, paragraph 2—

Repeal subparagraph (3)

Substitute

“(3) The manager must prepare an income and expenditure account and balance sheet (*financial statements*) for each financial year.”.

- (6) Schedule 7, paragraph 2(4)—

Repeal

“income and expenditure account and balance sheet shall”

Substitute

“set of financial statements prepared under subparagraph (3) must”.

- (7) Schedule 7, after paragraph 2(4)—

Add

“(4A) Any summary, balance sheet or income and expenditure account prepared under this paragraph must be signed by the manager.”.

- (8) Schedule 7, paragraph 2—

Repeal subparagraph (5).

- (9) Schedule 7, paragraph 2—

Repeal subparagraph (6)

Substitute

“(6) Any financial statements prepared under subparagraph (3) must be properly audited if either the total income or total expenditure contained in the income and expenditure account, or both of them, exceed or are likely to exceed the monetary amount specified in section 27(2)(c).

- (6A) For the purposes of subparagraph (6), any financial statements are properly audited if—

- (a) the financial statements are audited by an accountant approved by an owners resolution; and
 (b) the accountant reports for the audit under sub-subparagraph (a) as to whether the financial statements are, in the accountant’s opinion, properly prepared so as to give a true and fair view of—

- (i) the financial transactions in respect of the management of the building for the period to which the income and expenditure account relates; and
 - (ii) the financial position in respect of the management of the building as at the date to which the income and expenditure account is made up,
- subject to any qualification that the accountant thinks fit.
- (6B) If any financial statements are prepared under subparagraph (3), the manager must—
- (a) if the financial statements are required by subparagraph (6) to be audited—display a copy of the financial statements and a copy of the accountant’s report in respect of the audit in a prominent place in the building as soon as reasonably practicable after the manager obtains the report from the accountant, and cause them to remain so displayed for at least 7 consecutive days; or
 - (b) in any other case—display a copy of the financial statements in a prominent place in the building as soon as reasonably practicable after the statements are signed in accordance with subparagraph (4A), and cause it to remain so displayed for at least 7 consecutive days.
- (6C) The manager must permit a specified person to inspect any accounting document at any reasonable time.
- (6D) Subject to subparagraph (6F), if a specified person requests, in writing, the manager to supply the specified person with a copy of any accounting document, the

- manager must supply the specified person with the copy within 28 days after the date on which the request is made.
- (6E) The manager—
- (a) may impose a reasonable copying charge for supplying the specified person with the copy in hard copy form; and
 - (b) must not impose any charge for supplying the specified person with the copy in electronic form.
- (6F) If—
- (a) the request mentioned in subparagraph (6D) is a request for a copy in hard copy form; and
 - (b) the manager imposes under subparagraph (6E)(a) a copying charge for supplying the specified person with the copy,
- the manager is not required to comply with the request unless the specified person pays the charge.”.
- (10) Schedule 7, after paragraph 2(7)—
- Add**
- “(8) In this paragraph—
- accounting document** (會計文件) means—
- (a) any book or record maintained, or document kept, under subparagraph (1);
 - (b) any summary of income and expenditure, or balance sheet, prepared under subparagraph (2);
 - (c) any financial statements prepared under subparagraph (3); or
 - (d) any accountant’s report in respect of an audit under subparagraph (6A)(a);
- specified person** (指明人士) means—

- (a) an owner;
- (b) a registered mortgagee; or
- (c) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (6C).”.

(11) Schedule 7, paragraph 4(2)—

Repeal

“resolution of the owners”

Substitute

“corporation resolution”.

(12) Schedule 7, after paragraph 4—

Add

“4A. Communication among owners

The manager must consult (either generally or in any particular case) the corporation at a general meeting of the corporation convened under Schedule 3 and adopt the approach decided by the corporation on the channels of communication among owners on any business relating to the management of the building.”.

(13) Schedule 7—

Repeal paragraph 5.

(14) Schedule 7, before paragraph 6—

Add

“Division 2—Termination of Manager’s Appointment”.

(15) Schedule 7—

Repeal paragraph 9.

(16) At the end of Schedule 7—

Add

“Part 2

Procurement of Supplies, Goods or Services

Division 1—Keeping of and Permitting Inspection of Procurement Documents

10. Keeping of procurement documents

- (1) This paragraph applies if there is no corporation.
- (2) If a contract is entered into for the procurement of any supplies, goods or services required by the owners in the performance of a function under the deed of mutual covenant or this Ordinance, the manager must, during the period of 6 years after the date on which the contract is entered into, keep all the procurement documents.
- (3) In subparagraph (2)—
 - procurement document* (採購文件), in relation to the procurement of any supplies, goods or services—
 - (a) means a document—
 - (i) that contains information that enables a person who inspects it to (whether with or without any other document) readily verify the financial liability incurred by the owners for the procurement; or
 - (ii) that otherwise relates to the procurement, such as a tender document, copy of contract, statement of account and invoice; and

- (b) does not include a declaration made under Division 4.

11. Permitting inspection of procurement documents

- (1) The manager must, at the written request of not less than 5% of the owners, permit any of those owners or any person appointed by those owners to inspect, at any reasonable time, any document kept by the manager under paragraph 10(2).
- (2) Subject to subparagraph (4), if a person who is permitted under subparagraph (1) to inspect any document (*requester*) requests, in writing, the manager to supply the requester with a copy of the document, the manager must supply the requester with the copy within 28 days after the date on which the request is made.
- (3) The manager—
 - (a) may impose a reasonable copying charge for supplying the requester with the copy in hard copy form; and
 - (b) must not impose any charge for supplying the requester with the copy in electronic form.
- (4) If—
 - (a) the request mentioned in subparagraph (2) is a request for a copy in hard copy form; and
 - (b) the manager imposes under subparagraph (3)(a) a copying charge for supplying the requester with the copy,

the manager is not required to comply with the request unless the requester pays the charge.

Division 2—Specific Requirements for Certain Types of Procurement

12. Type 1 high-value procurement

- (1) The manager must not enter into any contract for any type 1 high-value procurement unless—
 - (a) the procurement complies with any Code of Practice concerning the procurement; and
 - (b) the procurement is conducted by an invitation to tender.
- (2) Moreover, if there is no corporation—
 - (a) the requirements for tendering specified in Division 3 must be complied with in relation to the procurement; and
 - (b) the requirements relating to declarations specified in Subdivision 1 of Division 4 must be complied with in relation to the procurement.
- (3) However, subparagraphs (1)(b) and (2) do not apply in relation to the procurement if—
 - (a) the supplies, goods or services to which the procurement relates (*target supplies, goods or services*) are of the same type as any supplies, goods or services that are for the time being supplied by a supplier for the building; and
 - (b) it is decided by—
 - (i) in the case of subparagraph (1)(b)—
 - (A) if there is a corporation—a corporation resolution; or
 - (B) if there is no corporation—an owners resolution; or

- (ii) in the case of subparagraph (2)—an owners resolution,

that the target supplies, goods or services must be procured from that supplier on the terms and conditions that are specified in the resolution, instead of by an invitation to tender.

13. Type 2 high-value procurement

- (1) The manager must not enter into any contract for any type 2 high-value procurement unless—
 - (a) the procurement complies with any Code of Practice concerning the procurement;
 - (b) the procurement is conducted by an invitation to tender;
 - (c) for every tender submitted for the procurement, whether it is accepted or not is decided by—
 - (i) if there is a corporation—a corporation resolution; or
 - (ii) if there is no corporation—an owners resolution; and
 - (d) the contract is entered into with the tenderer whose tender is accepted as decided in the way mentioned in sub-subparagraph (c).
- (2) Moreover, if there is no corporation—
 - (a) the requirements for tendering specified in Division 3 must be complied with in relation to the procurement; and
 - (b) the requirements relating to declarations specified in Subdivision 1 of Division 4 must be complied with in relation to the procurement.

- (3) However, subparagraphs (1)(b), (c) and (d) and (2) do not apply in relation to the procurement if—

- (a) the supplies, goods or services to which the procurement relates (*target supplies, goods or services*) are of the same type as any supplies, goods or services that are for the time being supplied by a supplier for the building; and

- (b) it is decided by—

- (i) in the case of subparagraph (1)(b), (c) or (d)—
 - (A) if there is a corporation—a corporation resolution; or
 - (B) if there is no corporation—an owners resolution; or
- (ii) in the case of subparagraph (2)—an owners resolution,

that the target supplies, goods or services must be procured from that supplier on the terms and conditions that are specified in the resolution, instead of by an invitation to tender.

- (4) Despite anything to the contrary in a contract entered into for any type 2 high-value procurement, the manager must not vary or terminate the contract unless the contract is varied or terminated in accordance with—

- (a) if there is a corporation—a corporation resolution; or
- (b) if there is no corporation—an owners resolution.

14. Large-scale maintenance procurement

- (1) The manager must not enter into any contract for any large-scale maintenance procurement unless—

- (a) the procurement complies with any Code of Practice concerning the procurement;
 - (b) the procurement is conducted by an invitation to tender;
 - (c) the following conditions are met—
 - (i) if there is a corporation—
 - (A) that for every tender submitted for the procurement, whether it is accepted or not is decided by a corporation resolution; and
 - (B) that the voting-in-person threshold under paragraph 4 of Schedule 6C is met in relation to the passing of a corporation resolution for compliance with section 28F(2)(c) in relation to the procurement; or
 - (ii) if there is no corporation—
 - (A) that for every tender submitted for the procurement, whether it is accepted or not is decided by an owners resolution; and
 - (B) that the voting-in-person threshold under paragraph 48 in relation to the passing of an owners resolution for compliance with sub-sub-sub-subparagraph (A) in relation to the procurement is met; and
 - (d) the contract is entered into with the tenderer whose tender is accepted as decided in the way mentioned in sub-subparagraph (c)(i)(A) or (ii)(A).
- (2) Moreover, if there is no corporation—

- (a) the requirements for tendering specified in Division 3 must be complied with in relation to the procurement; and
 - (b) the requirements relating to declarations specified in Subdivisions 1 and 2 of Division 4 must be complied with in relation to the procurement.
- (3) Despite anything to the contrary in a contract entered into for any large-scale maintenance procurement, the manager must not vary or terminate the contract unless—
- (a) if there is a corporation—
 - (i) the contract is varied or terminated in accordance with a corporation resolution; and
 - (ii) the voting-in-person threshold under paragraph 4 of Schedule 6C is met in relation to the passing of a corporation resolution for compliance with section 28F(2)(d) in relation to the contract; or
 - (b) if there is no corporation—
 - (i) the contract is varied or terminated in accordance with an owners resolution; and
 - (ii) the voting-in-person threshold under paragraph 48 is met in relation to the passing of an owners resolution for compliance with sub-sub-subparagraph (i) in relation to the contract.

Note—

See Division 4 of Part 3 of this Schedule for the specific procedure at meetings of owners concerning large-scale maintenance procurement.

Division 3—Requirements for Tendering Specified for Division 2

15. Effect of Division 3

This Division has effect for the purposes of paragraphs 12(2)(a), 13(2)(a) and 14(2)(a).

16. Interpretation (Division 3)

In this Division—

deadline (入標期限), in relation to the submission of a tender for any procurement, means the time after which the submission may no longer be made under—

- (a) subject to sub-subparagraph (b), the terms of the invitation to tender issued for the procurement; or
- (b) if the invitation is revised—the terms of the revised invitation issued for the procurement.

17. Content of invitation to tender

- (1) An invitation to tender issued for the procurement must set out clearly—
 - (a) the nature of the supplies, goods or services to which the procurement relates; and
 - (b) a specified time on a specified day after which a tender may no longer be submitted for the procurement.
- (2) To avoid doubt, subparagraph (1)(b) does not prevent the invitation to tender from containing any terms in respect of a postponement, for reasons such as inclement weather, of the time after which a tender may no longer be submitted for the procurement.

- (3) In this paragraph, a reference to an invitation to tender issued for the procurement includes, if applicable, any revised invitation to tender issued for the procurement.

18. Display of copy of invitation to tender

- (1) If an invitation to tender is issued for the procurement, the manager must display a copy of the invitation in a prominent place in the building as soon as reasonably practicable after the invitation is issued, and cause it to remain so displayed until the deadline for the submission of a tender for the procurement.
- (2) If a revised invitation to tender is issued for the procurement—
 - (a) the requirement under this paragraph to cause a copy of the previous version of the invitation to remain displayed in a prominent place in the building ceases to apply; and
 - (b) the management committee must display a copy of the revised invitation in a prominent place in the building as soon as reasonably practicable after the revised invitation is issued, and cause it to remain so displayed until the deadline for the submission of a tender for the procurement.

19. No acceptance of tender submitted after deadline

Any tender submitted for the procurement after the deadline must not be accepted.

20. No acceptance of tender without approval under certain circumstances

- (1) Subject to subparagraph (4), unless an invitation to tender issued for the procurement is advertised (such as in a local

newspaper or on a website) and is open to any potential suppliers, no tender may be accepted for the procurement if—

- (a) the procurement is the procurement of any supplies, goods or services the value of which exceeds, or is likely to exceed, the monetary amount specified in paragraph 5(1)(a) of Schedule 6A, and the invitation has not been specifically issued to 5 or more potential suppliers; or
- (b) the procurement is the procurement of any supplies, goods or services the value of which—
 - (i) exceeds, or is likely to exceed, the monetary amount specified in paragraph 5(1)(b)(i) of that Schedule; but
 - (ii) does not exceed, or is unlikely to exceed, the monetary amount specified in paragraph 5(1)(b)(ii) of that Schedule,
 and the invitation has not been specifically issued to 3 or more potential suppliers.
- (2) For the purposes of subparagraph (1), an invitation to tender is specifically issued to a person if it is issued—
 - (a) by delivering a copy of the invitation in hard copy form personally to the person;
 - (b) by sending a copy of the invitation in hard copy form by post, or by courier service, to the person at the person's last known business address; or
 - (c) by sending validly a copy of the invitation in electronic form to the person.
- (3) To avoid doubt, for the purposes of subparagraph (1), a display of an invitation to tender for compliance with

paragraph 18 is not regarded as an advertisement of the invitation.

- (4) Subparagraph (1) does not have any effect in relation to the procurement if it is so decided by an owners resolution.
- (5) In this paragraph, a reference to an invitation to tender issued for the procurement includes, if applicable, any revised invitation to tender issued for the procurement.

Division 4—Requirements Relating to Declarations Specified for Division 2

Subdivision 1—Declarations of Interests or Connections etc. by Responsible Persons and Related Restrictions

21. Effect of Subdivision 1

This Subdivision has effect for the purposes of paragraphs 12(2)(b), 13(2)(b) and 14(2)(b).

22. Declarations of dealings or connections with members of owners' committee

- (1) If the manager becomes aware that, after the initiation decision is made for the procurement but before a contract is entered into for it, the manager has any pecuniary or other personal dealing with a member of the owners' committee, the manager must, as soon as reasonably practicable after becoming so aware, declare the dealing in accordance with paragraphs 24 and 25.
- (2) If the manager becomes aware that, after the initiation decision is made for the procurement but before a contract is entered into for it, the manager has any connection with a member of the owners' committee, the manager must,

as soon as reasonably practicable after becoming so aware, declare the connection in accordance with paragraphs 24 and 25.

- (3) If there is a responsible person for the procurement other than the manager, the manager—
- (a) must require the responsible person to comply with subparagraphs (1) and (2) that are to be construed as if a reference to the manager in those subparagraphs were a reference to the responsible person; and
 - (b) must use the manager's best endeavors to prevent any contravention of the requirement by the responsible person.

23. Declarations of interests or connections for tenders submitted

- (1) If the manager becomes aware that, before a contract is entered into for the procurement, the manager has any pecuniary or other personal interest in a tender submitted for the procurement, the manager must, as soon as reasonably practicable after becoming so aware, declare the interest in accordance with paragraphs 24 and 25.
- (2) If the manager becomes aware that, before a contract is entered into for the procurement, the manager has any connection with a person who has submitted a tender for the procurement, the manager must, as soon as reasonably practicable after becoming so aware, declare the connection in accordance with paragraphs 24 and 25.
- (3) If there is a responsible person for the procurement other than the manager, the manager—
 - (a) must require the responsible person to comply with subparagraphs (1) and (2) that are to be construed as

if a reference to the manager in those subparagraphs were a reference to the responsible person; and

- (b) must use the manager's best endeavors to prevent any contravention of the requirement by the responsible person.

24. Form of declarations

- (1) The declaration must be made in the specified form.
- (2) If a person who makes the declaration is a body corporate, then despite anything to the contrary in its constitution, the declaration must be—
 - (a) impressed with its seal or chop; and
 - (b) signed by a person authorized by it in that behalf.

25. Persons to whom declarations are made

- (1) The declaration must be made to—
 - (a) subject to sub-subparagraph (b), the chairman of the owners' committee; or
 - (b) if the person who makes the declaration (*declarant*) is the chairman of the owners' committee, or making the declaration under sub-subparagraph (a) is impracticable for reasons such as vacancy in an office—every member of the owners' committee (not including the declarant in the case where the declarant is a member of the owners' committee).
- (2) For the purposes of this paragraph, a declaration is made to a person if—
 - (a) the declaration in hard copy form (whether being the original copy or otherwise) is lodged with the person; or

- (b) a copy of the declaration in electronic form is sent validly to the person.

26. Display of notice of declarations

- (1) If a declaration under paragraph 22 or 23 has been made, the manager must display a notice of the declaration that complies with subparagraph (2) in a prominent place in the building within 7 days after the date on which the declaration is made, and cause it to remain so displayed for at least 7 consecutive days.
- (2) The notice—
- (a) must identify—
 - (i) the procurement concerned and, for a declaration under paragraph 23, the tender concerned; and
 - (ii) the person who made the declaration;
 - (b) must specify in which of the following capacities the person made the declaration—
 - (i) the manager of the building;
 - (ii) a person who is accustomed or obliged to act in accordance with the directions or instructions of the manager in connection with the management of the building; and
 - (c) must contain a statement indicating the right to inspect a copy of the declaration under paragraph 28(2).
- (3) If a declaration is made to different members of the owners' committee as required by paragraph 25(1)(b) and is so made on different dates, then for the purposes of subparagraph (1), the last such date is taken to be the date on which the declaration is made.

27. Specific meeting procedure relating to declarations

- (1) If a declaration under paragraph 22 or 23 has been made, the manager must ensure that—
- (a) a copy of the declaration is produced to the owners at the first meeting of owners convened under the deed of mutual covenant since the making of the declaration; and
 - (b) a copy of a notice mentioned in paragraph 26(1) is attached to the minutes of the proceedings at the meeting kept under the deed of mutual covenant.
- (2) Subparagraph (1) does not limit any other terms of the deed of mutual covenant in relation to the procedure at a meeting of owners convened under the deed of mutual covenant.

28. Keeping of and permitting inspection of declarations

- (1) If a declaration under paragraph 22 or 23 has been made in relation to the procurement, the manager must, during the period of 6 years after the date on which a contract is entered into for the procurement, keep a copy of the declaration.
- (2) The manager must permit a specified person to inspect the copy at any reasonable time.
- (3) In this paragraph—
- specified person* (指明人士) means—
- (a) an owner;
 - (b) a registered mortgagee; or
 - (c) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (2).

29. Prohibition from participating in procurement activities

- (1) A person who has made a declaration under paragraph 23 in relation to the procurement must not participate in any assessment of tenders submitted for the procurement or any negotiation or other activity relating to the procurement.
- (2) A person mentioned in subparagraph (1) is exempt from that subparagraph if it is so decided by an owners resolution.
- (3) A resolution for exempting a person under subparagraph (2) (*exemption resolution*) must not be proposed at a meeting unless the reasons for proposing the resolution are given at the meeting.
- (4) The person presiding over a meeting at which an exemption resolution is proposed must ensure that the minutes of the proceedings at the meeting kept under the deed of mutual covenant contain the reasons mentioned in subparagraph (3).
- (5) This paragraph does not limit any other terms of the deed of mutual covenant in relation to the procedure at a meeting of owners convened under the deed of mutual covenant.

**Subdivision 2—Declarations of No Interest or Connection
by Responsible Persons for Large-scale Maintenance
Procurement**

30. Effect of Subdivision 2

This Subdivision has effect for the purposes of paragraph 14(2)(b).

31. Declaration of no interest or connection for tenders submitted

- (1) If any tender has been submitted for the large-scale maintenance procurement, the manager must, before the first tender acceptance meeting is held, declare in accordance with paragraphs 32 and 33—
 - (a) that the manager, as at the date of the declaration—
 - (i) if the manager has declared an interest under paragraph 23(1) in respect of the tender—does not have any pecuniary or other personal interest in the tender except for the interest so declared; or
 - (ii) in any other case—does not have any pecuniary or other personal interest in the tender; and
 - (b) that the manager, as at the date of the declaration—
 - (i) if the manager has declared a connection under paragraph 23(2) in respect of the tender—does not have any connection with a person who has submitted the tender except for the connection so declared; or
 - (ii) in any other case—does not have any connection with a person who has submitted the tender.
- (2) If there is a responsible person for the procurement other than the manager, the manager—
 - (a) must require the responsible person to comply with subparagraph (1) that is to be construed in accordance with subparagraph (3); and

- (b) must use the manager's best endeavors to prevent any contravention of the requirement by the responsible person.
- (3) For the purposes of subparagraph (2)(a), subparagraph (1) is to be construed as if—
 - (a) a reference to the manager in subparagraph (1) were a reference to the responsible person;
 - (b) the reference to declaring an interest under paragraph 23(1) in subparagraph (1)(a)(i) were a reference to declaring an interest in compliance with a requirement imposed by the manager under paragraph 23(3)(a); and
 - (c) the reference to declaring a connection under paragraph 23(2) in subparagraph (1)(b)(i) were a reference to declaring a connection in compliance with a requirement imposed by the manager under paragraph 23(3)(a).

32. Form of declarations

- (1) The declaration must be made in the specified form.
- (2) If a person who makes the declaration is a body corporate, then despite anything to the contrary in its constitution, the declaration must be—
 - (a) impressed with its seal or chop; and
 - (b) signed by a person authorized by it in that behalf.

33. Persons to whom declarations are made

- (1) The declaration must be made to—
 - (a) subject to sub-subparagraph (b), the chairman of the owners' committee; or

- (b) if the person who makes the declaration (*declarant*) is the chairman of the owners' committee, or making the declaration under sub-subparagraph (a) is impracticable for reasons such as vacancy in an office—every member of the owners' committee (not including the declarant in the case where the declarant is a member of the owners' committee).
 - (2) For the purposes of this paragraph, a declaration is made to a person if—
 - (a) the declaration in hard copy form (whether being the original copy or otherwise) is lodged with the person; or
 - (b) a copy of the declaration in electronic form is sent validly to the person.
- 34. Specific meeting procedure relating to declarations for first tender acceptance meeting**
- (1) For every declaration that has been made under paragraph 31, the manager must ensure that a document in respect of the declaration that complies with subparagraph (2) is attached to the minutes of the proceedings at the first tender acceptance meeting kept under the deed of mutual covenant.
 - (2) The document—
 - (a) must identify—
 - (i) the procurement and tender concerned; and
 - (ii) the person who made the declaration;
 - (b) must specify in which of the following capacities the person made the declaration—
 - (i) the manager of the building;

- (ii) a person who is accustomed or obliged to act in accordance with the directions or instructions of the manager in connection with the management of the building; and
 - (c) must contain a statement indicating the right to inspect a copy of the declaration under paragraph 35(2).
- (3) Subparagraph (1) does not limit any other terms of the deed of mutual covenant in relation to the procedure at a meeting of owners convened under the deed of mutual covenant.

35. Keeping of and permitting inspection of declarations

- (1) If a declaration under paragraph 31 has been made in relation to the large-scale maintenance procurement, the manager must, during the period of 6 years after the date on which a contract is entered into for the procurement, keep a copy of the declaration.
- (2) The manager must permit a specified person to inspect the copy at any reasonable time.
- (3) In this paragraph—
specified person (指明人士) means—
 - (a) an owner;
 - (b) a registered mortgagee; or
 - (c) any person duly authorized in writing by an owner or registered mortgagee to conduct an inspection mentioned in subparagraph (2).

Part 3

Procedure at Meetings of Owners

Division 1—Preliminary

36. Application

This Part applies if there is no corporation.

37. Reference to meetings of owners

In this Part (except paragraph 38), a reference to a meeting of owners—

- (a) is a reference to such a meeting convened under the deed of mutual covenant; and
- (b) if a meeting mentioned in sub-subparagraph (a) is adjourned—includes the adjourned meeting.

Division 2—General Procedure

38. Notices of meeting

- (1) A person who convenes a meeting of owners under the deed of mutual covenant must, at least 14 days before the date of the meeting, give notice of the meeting to each owner.
- (2) The notice of meeting must specify—
 - (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting.
- (3) If the meeting is adjourned, subparagraphs (1) and (2) apply in relation to the adjourned meeting as they apply in relation to the original meeting.

39. Minutes of proceedings at meetings

- (1) The manager must keep minutes of the proceedings at every meeting of owners.
- (2) The manager must display the minutes in a prominent place in the building within 28 days after the date of the meeting to which the minutes relate, and cause the minutes to remain so displayed for at least 7 consecutive days.
- (3) The manager must keep the minutes during the period of 6 years after the date of the meeting to which the minutes relate.

40. Supply of copies of minutes of proceedings at meetings

- (1) Subject to subparagraph (3), if a specified person requests, in writing, the manager to supply the specified person with a copy of the minutes of the proceedings kept under paragraph 39, the manager must supply the specified person with the copy within 28 days after the date on which the request is made.
- (2) The manager—
 - (a) may impose a reasonable copying charge for supplying the specified person with the copy in hard copy form; and
 - (b) must not impose any charge for supplying the specified person with the copy in electronic form.
- (3) If—
 - (a) the request mentioned in subparagraph (1) is a request for a copy in hard copy form; and
 - (b) the manager imposes under subparagraph (2)(a) a copying charge for supplying the specified person with the copy,

the manager is not required to comply with the request unless the specified person pays the charge.

- (4) In this paragraph—

specified person (指明人士) means—

- (a) an owner;
- (b) a registered mortgagee; or
- (c) any person duly authorized in writing by an owner or registered mortgagee to make a request mentioned in subparagraph (1).

Division 3—Authorized Natural Persons for Corporate Flat Owners

41. Acting for corporate flat owners by authorized natural persons

- (1) A natural person authorized by a corporate flat owner under subparagraph (2)(b) in respect of a meeting of owners may act for the corporate flat owner for the meeting.
- (2) A corporate flat owner may—
 - (a) by a resolution of its directors or other governing body (*nomination resolution*) nominate 1 natural person; and
 - (b) by written notice (*authorization notice*) given in accordance with subparagraph (4) authorize that person for the purposes of subparagraph (1).
- (3) Subparagraph (2) does not prevent a corporate flat owner from, after it has authorized a person as an authorized natural person in respect of a meeting of owners (*original authorized natural person*), authorizing another person

as an authorized natural person in respect of the meeting in substitution of the original authorized natural person.

- (4) The authorization notice—
- (a) must be given in the specified form;
 - (b) must, despite anything to the contrary in the corporate flat owner's constitution, be—
 - (i) impressed with its seal or chop; and
 - (ii) signed by a person authorized by it in that behalf;
 - (c) must accompany a copy of the nomination resolution; and
 - (d) must be given to the person in charge of the meeting at least 48 hours before the time for the holding of the meeting—
 - (i) by lodging the original of the notice in hard copy form with the person; or
 - (ii) by sending validly a copy of the notice in electronic form to the person.
- (5) In subparagraph (4)(d), a reference to the person in charge of a meeting of owners is a reference to—
- (a) if the meeting is convened by the owners' committee—the chairman of the owners' committee; or
 - (b) in any other case—the convenor of the meeting.

42. Supplementary terms relating to authorized natural persons

- (1) An authorized natural person who attends a meeting of owners on behalf of a corporate flat owner under paragraph 41(1) is, for all purposes relating to the

meeting, taken to be the corporate flat owner present at the meeting.

- (2) A corporate flat owner is, for all purposes relating to a meeting of owners, taken to cast a vote personally at the meeting if an authorized natural person casts a vote on behalf of the corporate flat owner at the meeting under paragraph 41(1).
- (3) If—
- (a) under another term of the deed of mutual covenant—
 - (i) in the event that 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast at a meeting of owners by a person appointed by any or all of the co-owners; and
 - (ii) one or more of the co-owners (*eligible co-owners*) are eligible to be so appointed for that purpose;
 - (b) an eligible co-owner is a corporate flat owner; and
 - (c) an authorized natural person is available to act for the eligible co-owner for the meeting,
- the authorized natural person is also eligible to be so appointed for that purpose.
- (4) If an authorized natural person is available to act for a corporate flat owner for a meeting of owners—
- (a) if the corporate flat owner has not appointed a proxy for the meeting—the corporate flat owner is not permitted to do so; or

- (b) if the corporate flat owner has appointed a proxy for the meeting—the instrument appointing the proxy is regarded as revoked.

43. Effect of authorization of authorized natural persons for adjourned meetings

If a meeting of owners is adjourned, a corporate flat owner's authorized natural person for the original meeting is, for the purposes of the deed of mutual covenant, also taken to be the corporate flat owner's authorized natural person for the adjourned meeting unless—

- (a) contrary intention is shown on the notice given under paragraph 41(2)(b) in respect of the original meeting (*original authorization notice*);
- (b) the original authorization notice is revoked; or
- (c) the corporate flat owner authorizes another person under paragraph 41(2)(b) in respect of the adjourned meeting.

44. Division 3 not preventing other mechanism under which natural persons may act for corporate flat owners under deed of mutual covenant

This Division does not prevent the deed of mutual covenant from containing any terms in respect of any mechanism, other than the one specified in this Division, by which a natural person may be authorized to act for a corporate flat owner for a meeting of owners.

Division 4—Specific Procedure at Meetings of Owners Concerning Large-scale Maintenance Procurement

Subdivision 1—Preliminary

45. References to proposed large-scale maintenance procurement resolution

In this Division, a reference to a proposed large-scale maintenance procurement resolution is a reference to a proposed resolution of the owners for deciding—

- (a) whether a tender submitted for any large-scale maintenance procurement is to be accepted or not; or
- (b) whether a contract entered into for any large-scale maintenance procurement—
 - (i) is to be varied or not; or
 - (ii) is to be terminated or not.

46. Deed of mutual covenant not limited unless inconsistent

This Division does not limit any other terms of the deed of mutual covenant in relation to the procedure at a meeting of owners to the extent that those terms are consistent with this Division.

Subdivision 2—Procedure

47. Notices of meeting

- (1) If a resolution that is to be proposed at a meeting of owners is a proposed large-scale maintenance procurement resolution, the statement in the notice of the

- meeting specifying the proposed resolution for compliance with paragraph 38(2)(b) must be titled “**Important Reminder**” in English and “**重要提示**” in Chinese.
- (2) If the proposed large-scale maintenance procurement resolution concerns the question mentioned in paragraph 45(a), the notice of the meeting must, in relation to each tender that is valid under the terms of the relevant invitation to tender, set out clearly and legibly—
- (a) the estimated amount to be contributed from each building management fund for the procurement; and
 - (b) the estimated apportioned amount that each of the owners is to contribute for the procurement in addition to a contribution mentioned in sub-subparagraph (a).
- (3) If the proposed large-scale maintenance procurement resolution concerns a question mentioned in paragraph 45(b) and the owners are expected to incur any financial liability (including legal costs) because of the relevant variation or termination of contract, the notice of the meeting must set out clearly and legibly—
- (a) the estimated amount to be contributed from each building management fund for settling the costs; and
 - (b) the estimated apportioned amount that each of the owners is to contribute for settling the costs in addition to a contribution mentioned in sub-subparagraph (a).
- (4) To avoid doubt, even if the estimated amount mentioned in subparagraph (2) or (3) is zero, that subparagraph does require such an amount to be set out in accordance with that subparagraph.

- (5) In this paragraph—

building management fund (建築物管理基金) means—

- (a) a special fund established and maintained by the manager under paragraph 4(1); or
- (b) any fund other than the special fund that is established and maintained by the manager for performing a function under the deed of mutual covenant or this Ordinance.

48. Voting-in-person threshold

- (1) The voting in respect of a proposed large-scale maintenance procurement resolution at a meeting of owners is subject to a voting-in-person threshold specified under subparagraph (2).
- (2) The voting-in-person threshold is the lesser of—
 - (a) 5% of the owners; or
 - (b) 100 owners.

49. Supply of copies of minutes of proceedings at meetings

If a proposed large-scale maintenance procurement resolution is considered at a meeting of owners, the manager must, within 28 days after the date of the meeting, supply each of the owners with a copy of the minutes of the proceedings at the meeting that are kept under paragraph 39—

- (a) by delivering a copy of the minutes in hard copy form personally to the owner;
- (b) by sending a copy of the minutes in hard copy form by post to the owner at the owner’s last known address;

- (c) by leaving a copy of the minutes in hard copy form at the owner's flat or depositing such a copy in the letter box for that flat; or
- (d) by sending validly a copy of the minutes in electronic form to the owner."

41. Schedule 8 amended (terms added if consistent with deed of mutual covenant)

- (1) Schedule 8—

Repeal paragraphs 9 and 9A.

- (2) Schedule 8, paragraph 10—

Repeal

"The notice of meeting referred to in paragraph 9"

Substitute

"A notice of a meeting of owners convened under the deed of mutual covenant"

- (3) Schedule 8, paragraph 11—

Repeal

"shall be"

Substitute

"convened under the deed of mutual covenant is".

- (4) Schedule 8, paragraph 12—

Repeal

"shall"

Substitute

"convened under the deed of mutual covenant must".

- (5) Schedule 8, paragraph 13, after "owners"—

Add

"convened under the deed of mutual covenant".

- (6) Schedule 8, paragraph 15—

Repeal

"shall be"

Substitute

"convened under the deed of mutual covenant is".

42. Schedule 10 amended (hearing and determination of specified proceedings by tribunal)

Schedule 10, paragraph 5(c)—

Repeal

"within the meaning of section 34D(1)".

43. Schedule 11 amended (enumeration of owners)

Schedule 11, paragraph (a)—

Repeal

"and 40C(9) and paragraphs 1(2) and 5 of Schedule 3, paragraph 1A of Schedule 6"

Substitute

", 28C(1) and 40C(9) and paragraphs 1(2) and 5 of Schedule 3, paragraph 1A of Schedule 6, paragraph 4(2)(a) of Schedule 6C, paragraph 48(2)(a) of Schedule 7".

Explanatory Memorandum

The main purpose of this Bill is to amend the Building Management Ordinance (Cap. 344) (*Ordinance*)—

- (a) to impose certain requirements in relation to the procurement of supplies, goods or services required for large-scale building maintenance and of other high-value supplies, goods or services required for building management;
 - (b) to provide for a mechanism under which natural persons authorized by corporate flat owners may act for the latter at general meetings of owners' corporations etc.;
 - (c) to impose or adjust certain requirements in relation to financial statements and other accounting documents of owners' corporations etc. and in relation to the procedure of meetings concerning building management; and
 - (d) to criminalize the failure to keep certain documents concerning building management.
2. The Bill also makes related and miscellaneous amendments to the Ordinance.
 3. Clause 1 sets out the short title and provides for commencement.
 4. Clauses 3 and 4 respectively amend section 2 of, and add new sections 2C, 2D and 2E to, the Ordinance to provide for the meaning of certain expressions used in the Ordinance as amended by the Bill (including *type 1 high-value procurement*, *type 2 high-value procurement* and *large-scale maintenance procurement* and expressions relating to the form of documents).
 5. Clauses 5, 6 and 7 respectively amend sections 3, 3A and 4 of the Ordinance, and clause 8 adds new sections 4A and 4B to the Ordinance—

- (a) to provide that it is an offence for the convenors of the meetings of owners concerned, and for management committees, to fail to keep in accordance with the Ordinance the instruments for the appointment of proxies for the meetings; and
 - (b) to reorganize the provisions and otherwise make miscellaneous amendments to them.
6. Clause 9 amends section 8 of the Ordinance to empower the Secretary for Home and Youth Affairs (*Authority*) to specify the form of notices required for authorizing natural persons to represent corporate flat owners at general meetings of owners' corporations.
 7. Clauses 11, 13, 17, 18 and 23 add certain new Division headings to Part IV of the Ordinance to reorganize the provisions in that Part in view of the other amendments made to that Part by the Bill.
 8. Clause 15 repeals section 20A of the Ordinance, which concerns the procurement of supplies, goods or services required by owners' corporations for building management, because the matter is to be provided for under a new Division 5 of Part IV added by the Bill.
 9. Clause 19 amends section 27 of the Ordinance and Clause 20 adds new sections 27A and 27B to the Ordinance—
 - (a) to provide for the duties of management committees to display financial statements of owners' corporations, and related accountant's reports, in prominent places in the buildings;
 - (b) to otherwise adjust the requirements in respect of the maintaining of books of account etc., and the preparation of financial statements, of owners' corporations;
 - (c) to provide that it is an offence for management committees to fail to keep in accordance with the Ordinance certain accounting documents of owners' corporations; and

- (d) to reorganize the provisions and otherwise make miscellaneous amendments to them.

10. Clause 21—

- (a) adjusts the requirements in respect of the supply of copies of certain documents referred to in section 28 of the Ordinance; and
- (b) makes miscellaneous amendments to that section.

11. Clause 22 adds a new Division 5 to Part IV of the Ordinance, which contains the provisions about the procurement of supplies, goods or services required by owners' corporations for building management. That Division provides that—

- (a) verification documents for such procurement that are kept by management committees are subject to inspection by the owners and the Authority, and it is an offence for management committees to fail to keep in accordance with the Ordinance such documents;
- (b) certain types of such procurement, namely type 1 high-value procurement, type 2 high-value procurement and large-scale maintenance procurement, are subject to certain requirements specified in a new Schedule 6A to the Ordinance (i.e. requirements as to the content of invitations to tender, the display of copies of invitations to tender, the timely submission of tenders and the minimum number of tenders submitted for the procurement);
- (c) in relation to type 1 high-value procurement, type 2 high-value procurement and large-scale maintenance procurement, a new Schedule 6B to the Ordinance has effect so that members etc. of management committees must declare any interests or connections for the tenders submitted, and managers of buildings and other persons

responsible for conducting the procurement must declare any dealings or connections with members of the management committees as well as any interests or connections for the tenders submitted;

- (d) contracts for type 2 high-value procurement or large-scale maintenance procurement must not be varied or terminated by owners' corporations other than in accordance with resolutions passed at their general meetings; and
- (e) the procedure at general meetings of owners' corporations concerning large-scale maintenance procurement is subject to certain stricter requirements specified in a new Schedule 6C to the Ordinance (i.e. requirements as to notices of meeting, the voting-in-person threshold for the voting in respect of proposed resolutions concerning the procurement, the recording of votes cast for such proposed resolutions personally and by proxy in the minutes of the proceedings at the meetings and the supply of copies of such minutes to the owners etc.).

12. Clause 25 adds a new section 34EA to the Ordinance to empower the Authority to specify the form of certain declarations or notices required for the purposes of deeds of mutual covenant.

13. Clause 27 adds a new section 36A to the Ordinance to provide that it is an offence for management committees to fail to keep in accordance with the Ordinance certain documents concerning meetings of management committees and general meetings of owners' corporations.

14. Clause 30 adds a new section 40CA to the Ordinance to provide that it is an offence for the convenors of the meetings of owners concerned to fail to keep in accordance with the Ordinance the instruments for the appointment of proxies for the meetings.

15. Clause 33—
- (a) adds a new section 44A to the Ordinance to provide that legal professional privilege is not prejudiced by a power conferred by the Ordinance to the Authority or an authorized officer to inspect any documents; and
 - (b) adds a new section 44B to the Ordinance to provide for transitional matters.
16. Clauses 10, 12, 14, 16, 24, 26, 28, 29, 31, 32 and 34 make related and miscellaneous amendments to various sections of the Ordinance.
17. Clause 35 amends Schedule 2 to the Ordinance—
- (a) to provide for the duty of management committees to supply copies of minutes of the proceedings at meetings of management committees concerning large-scale maintenance procurement to the owners etc.;
 - (b) to otherwise adjust the requirements in respect of the supply of copies of minutes of the proceedings at meetings of management committees; and
 - (c) to reorganize the provisions in that Schedule and otherwise make related and miscellaneous amendments to it.
18. Clause 36 amends Schedule 3 to the Ordinance—
- (a) to provide that corporate flat owners may be represented at general meetings of owners' corporations by natural persons authorized by them;
 - (b) to adjust the requirements in respect of the supply of copies of minutes of the proceedings at general meetings of owners' corporations; and
 - (c) to reorganize the provisions in that Schedule and otherwise make related and miscellaneous amendments to it.

19. Clause 37 amends Schedule 5 to the Ordinance—
- (a) to adjust the requirements in respect of the supply of copies of the annual budgets of corporations to the owners and the Authority etc.; and
 - (b) to make related amendments to that Schedule.
20. Clause 38 amends Schedule 6 to the Ordinance—
- (a) to adjust the requirements in respect of the supply of copies of certain accounting documents of corporations to the owners and the Authority etc.; and
 - (b) to make related and miscellaneous amendments to that Schedule.
21. Clause 39 adds the new Schedules 6A, 6B and 6C to the Ordinance for the purposes of the new Division 5 of Part IV added by clause 22.
22. Under section 34E of the Ordinance, the provisions in Schedule 7 to the Ordinance are incorporated into every deed of mutual covenant as implied terms. Clause 40 amends that Schedule so that such implied terms cover—
- (a) the duty of managers of buildings to display the financial statements prepared by them for building management in prominent places in the buildings;
 - (b) the right of the owners to, in the event that there is no corporation, inspect verification documents for the procurement of supplies, goods or services required by owners for building management that are kept by managers of buildings;
 - (c) certain requirements for tendering, and certain requirements relating to declarations, to which type 1 high-value procurement, type 2 high-value procurement or large-scale maintenance procurement are subject to;

- (d) the duty of the convenors of meetings of owners to give notices of the meeting;
- (e) the duties of the managers of buildings to display minutes of the proceedings at meetings of owners in prominent places in the buildings, to keep such minutes and to supply copies of such minutes on request;
- (f) the representation of corporate flat owners at meetings of owners by natural persons authorized by the corporate flat owners; and
- (g) certain stricter requirements to which the procedure at meetings of owners concerning large-scale maintenance procurement is subject to (i.e. requirements as to notices of meeting, the voting-in-person threshold for the voting in respect of proposed resolutions concerning the procurement and the supply of copies of minutes of the proceedings at meetings to the owners etc.).

23. Clause 40 also amends Schedule 7 to the Ordinance—

- (a) to adjust the requirements in respect of the supply of copies of budgets etc. prepared by managers of buildings to the owners;
- (b) to reorganize the implied terms of deed of mutual covenants in view of the other amendments made to that Schedule by the Bill; and
- (c) to otherwise make miscellaneous amendments to the implied terms.

24. Clauses 41, 42 and 43 respectively make related and miscellaneous amendments to Schedules 8, 10 and 11 to the Ordinance.

2. Interpretation

In this Ordinance, unless the context otherwise requires—

accountant (會計師) means a certified public accountant (practising) as defined by section 2(1) of the Accounting and Financial Reporting Council Ordinance (Cap. 588); (*Added 27 of 1993 s. 4. Amended 23 of 2004 s. 56; L.N. 66 of 2022*)

administrator (管理人) means a person appointed as an administrator under section 30 or 31;

Authority (主管當局) means the Secretary for Home and Youth Affairs; (*Added 27 of 1993 s. 4. Amended L.N. 144 of 2022*)

authorized officer (獲授權人員) means any public officer authorized in writing by the Authority in that behalf; (*Added 27 of 1993 s. 4*)

building (建築物) means—

- (a) any building which contains any number of flats comprising 2 or more levels, including basements or underground parking areas;
- (b) any land upon which that building is erected; and
- (c) any other land (if any) which—
 - (i) is in common ownership with that building or land; or
 - (ii) in relation to the appointment of a management committee under section 3, 3A, 4 or 40C or any application in respect thereof, is owned or held by any person for the common use, enjoyment and benefit (whether exclusively or otherwise) of the owners and occupiers of the flats in that building; (*Replaced 27 of 1993 s. 4. Amended 5 of 2007 s. 3*)

Code of Practice (工作守則) means any Code of Practice prepared, revised or issued from time to time by the Authority under section 44; (*Added 27 of 1993 s. 4. Amended 69 of 2000 s. 2*)

common parts (公用部分) means—

- (a) the whole of a building, except such parts as have been specified or designated in an instrument registered in the Land Registry as being for the exclusive use, occupation or enjoyment of an owner; and (*Amended 8 of 1993 s. 2*)
- (b) unless so specified or designated, those parts specified in Schedule 1; (*Amended 5 of 2007 s. 40*)

convenor (召集人)—

- (a) in relation to a meeting of owners convened under section 3, means the person referred to in section 3(1)(a) or (b) or the owner appointed under section 3(1)(c);
- (b) in relation to a meeting of owners convened under section 3A, means the owner directed under section 3A(1);
- (c) in relation to a meeting of owners convened under section 4, means the owner directed under section 4(1); or
- (d) in relation to a meeting of owners convened under section 40C, means the owner named in the order made under section 40C(1); (*Added 5 of 2007 s. 3*)

corporation (法團) means a corporation registered under section 8;

deed of mutual covenant (公契) means a document which—

- (a) defines the rights, interests and obligations of owners among themselves; and
- (b) is registered in the Land Registry; (*Amended 8 of 1993 s. 2*)

estate (屋邨) means the buildings or groups of buildings the subject of an application under section 34E(6); (*Added 27 of 1993 s. 4*)

exempt estate (獲轄免屋邨) means—

- (a) any estate specified in Schedule 9; (*Amended 5 of 2007 s. 40*)
- (b) any estate added to that Schedule under section 34E(6); (*Added 27 of 1993 s. 4*)

flat (單位) means any premises in a building which are referred to in a deed of mutual covenant whether described therein as a flat or by any other name and whether used as a dwelling, shop, factory, office or for any other purpose, of which the owner, as between himself and owners or occupiers of other

parts of the same building, is entitled to the exclusive possession;

Land Registrar (土地註冊處處長) includes, in relation to buildings on land in the New Territories, the Authority, save that only the Land Registrar may specify forms; (*Replaced 20 of 2002 s. 5*)

Land Registry (土地註冊處) means the Land Registry established under the Land Registration Ordinance (Cap. 128); (*Replaced 20 of 2002 s. 5*)

management committee (管理委員會) means a management committee appointed under section 3, 3A, 4 or 40C; (*Amended 27 of 1993 s. 4; 5 of 2007 s. 3*)

member (委員), in relation to a management committee, means a person appointed as a member of the management committee under section 14(2) or paragraph 2(1)(b), 5(2)(a), 6 or 6A of Schedule 2; (*Added 5 of 2007 s. 3*)

occupier (佔用人) means a tenant, sub-tenant or other person in lawful occupation of a flat, but does not include an owner of that flat; (*Added 27 of 1993 s. 4*)

owner (業主) means—

(a) a person who for the time being appears from the records at the Land Registry to be the owner of an undivided share in land on which there is a building; and (*Amended 8 of 1993 s. 2*)

(b) a registered mortgagee in possession of such share;

register (登記冊) means the register of corporations maintained under section 12;

registered mortgagee (已登記承按人) means—

(a) a person to whom an owner's interest in a building has been mortgaged or charged under a mortgage or charge which has been registered in the Land Registry; and (*Amended 8 of 1993 s. 2*)

(b) a person in whose favour a charge upon a flat has been created by virtue of any Ordinance;

share (份數) means the share of an owner in a building determined in accordance with section 39;

tenants' representative (租客代表) means the tenants' representative appointed under section 15(1); (*Added 27 of 1993 s. 4*)

tribunal (審 裁 處) means the Lands Tribunal established under section 3 of the Lands Tribunal Ordinance (Cap. 17). (*Added 27 of 1993 s. 4*)

(*Amended 27 of 1993 s. 4*)

3. Appointment of management committee

- (1) A meeting of the owners to appoint a management committee may be convened by—
 - (a) any person managing the building in accordance with the deed of mutual covenant (if any); or
 - (b) any other person authorized to convene such a meeting by the deed of mutual covenant (if any); or
 - (c) one owner appointed to convene such a meeting by the owners of not less than 5% of the shares in aggregate. (*Replaced 5 of 2007 s. 5*)
- (2) At a meeting of owners convened under this section, the owners may, by a resolution—
 - (a) passed by a majority of the votes of the owners voting either personally or by proxy; and
 - (b) supported by the owners of not less than 30% of the shares in aggregate,appoint a management committee. (*Replaced 5 of 2007 s. 5*)
- (3) The convenor shall, at least 14 days before the date of the meeting of owners, give notice of the meeting to each owner and—
 - (a) where the convenor is the person referred to in subsection (1)(a), to the person referred to in subsection (1)(b) (if any);
 - (b) where the convenor is the person referred to in subsection (1)(b), to the person referred to in subsection (1)(a) (if any); or
 - (c) where the convenor is the owner appointed under subsection (1)(c), to the person referred to in subsection (1)(a) or (b) (if any). (*Added 5 of 2007 s. 5*)
- (4) The notice of meeting shall specify—
 - (a) the date, time and place of the meeting; and

- (b) the resolutions that are to be proposed at the meeting and are related only to the appointment of a management committee and the incorporation of the owners. *(Added 5 of 2007 s. 5)*
- (5) The notice of meeting may be given—
 - (a) in the case of an owner—
 - (i) by delivering it personally to the owner;
 - (ii) by sending it by post to the owner at his last known address; or
 - (iii) by leaving it at the owner's flat or depositing it in the letter box for that flat; or
 - (b) in the case of a person referred to in subsection (1)(a) or (b)—
 - (i) by delivering it personally to the person; or
 - (ii) by sending it by post to the person at his last known address. *(Added 5 of 2007 s. 5)*
- (6) The convenor shall also, at least 14 days before the date of the meeting of owners, display the notice of meeting in a prominent place in the building. *(Added 5 of 2007 s. 5)*
- (7) The convenor shall preside at a meeting of owners convened under this section. *(Added 5 of 2007 s. 5)*
- (8) The quorum at a meeting of owners convened under this section shall be 10% of the owners. *(Added 5 of 2007 s. 5)*
- (9) At a meeting of owners convened under this section—
 - (a) an owner shall, unless the deed of mutual covenant (if any) otherwise provides, have one vote in respect of each share he owns;
 - (b) an owner may cast a vote personally or by proxy;
 - (c) where 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast—
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under subparagraph (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners; and

(d) where 2 or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that share in the register kept at the Land Registry shall be treated as valid. *(Added 5 of 2007 s. 5)*

(10) For the purposes of subsection (9)—

(a) the instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A, and—

(i) shall be signed by the owner; or

(ii) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf;

(b) the instrument appointing a proxy shall be lodged with the convenor at least 48 hours before the time for the holding of the meeting;

(c) the instrument appointing a proxy is valid only if it is made and lodged in accordance with paragraphs (a) and (b);

(d) a proxy appointed by an owner to attend and vote on behalf of the owner shall, for the purposes of the meeting, be treated as being the owner present at the meeting; and

(e) where an instrument appointing a proxy is lodged with the convenor, the convenor shall—

(i) acknowledge receipt of the instrument by leaving a receipt at the flat of the owner who made the instrument, or depositing the receipt in the letter box for that flat, before the time for the holding of the meeting;

(ii) determine the validity of the instrument in accordance with paragraph (c); and

(iii) display information of the owner's flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information to remain so displayed until the conclusion of the meeting. *(Added 5 of 2007 s. 5)*

- (11) Subject to subsection (12), the convenor shall keep all the instruments for the appointment of proxies that have been lodged with him for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 5)*
- (12) Where a management committee is appointed at a meeting of owners convened under this section—
 - (a) the convenor shall deliver to the management committee immediately after the conclusion of the meeting all the instruments for the appointment of proxies that have been lodged with him; and
 - (b) the management committee shall keep the instruments for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 5)*
- (13) Subject to subsection (14), where a meeting of owners convened under this section is adjourned, subsections (3), (4), (5), (6), (7), (8), (9), (10), (11) and (12) shall apply to the adjourned meeting as they apply to the original meeting. *(Added 5 of 2007 s. 5)*
- (14) Where a meeting of owners convened under this section is adjourned, a valid instrument appointing a proxy made for the purposes of the original meeting shall remain valid for the purposes of the adjourned meeting unless—
 - (a) contrary intention is shown on the instrument;
 - (b) the instrument is revoked; or
 - (c) the instrument is replaced by a new instrument appointing a proxy. *(Added 5 of 2007 s. 5)*

(Amended 27 of 1993 s. 42)

3A. Appointment of management committee after application to the Authority

- (1) The Authority may, upon application by the owners of not less than 20% of the shares in aggregate, order that a meeting of owners shall be convened, by such owner as the Authority may direct, to appoint a management committee. *(Amended 69 of 2000 s. 4; 5 of 2007 s. 42)*
- (2) Any person referred to in section 3(1)(a) or (b) shall be entitled to attend a meeting of owners convened under this section.

- (3) Subject to subsection (5), at a meeting of owners convened under this section, the owners may, by a resolution passed by a majority of the votes of the owners voting either personally or by proxy, appoint a management committee.
- (3A) The convenor shall, at least 14 days before the date of the meeting of owners, give notice of the meeting to each owner and the person referred to in section 3(1)(a) or (b) (if any). *(Added 5 of 2007 s. 6)*
- (3B) The notice of meeting shall specify—
 - (a) the date, time and place of the meeting; and
 - (b) the resolutions that are to be proposed at the meeting and are related only to the appointment of a management committee and the incorporation of the owners. *(Added 5 of 2007 s. 6)*
- (3C) The notice of meeting may be given—
 - (a) in the case of an owner—
 - (i) by delivering it personally to the owner;
 - (ii) by sending it by post to the owner at his last known address; or
 - (iii) by leaving it at the owner's flat or depositing it in the letter box for that flat; or
 - (b) in the case of a person referred to in section 3(1)(a) or (b) —
 - (i) by delivering it personally to the person; or
 - (ii) by sending it by post to the person at his last known address. *(Added 5 of 2007 s. 6)*
- (3D) The convenor shall also, at least 14 days before the date of the meeting of owners, display the notice of meeting in a prominent place in the building. *(Added 5 of 2007 s. 6)*
- (3E) The convenor shall preside at a meeting of owners convened under this section. *(Added 5 of 2007 s. 6)*
- (3F) The quorum at a meeting of owners convened under this section shall be 10% of the owners. *(Added 5 of 2007 s. 6)*
- (3G) At a meeting of owners convened under this section—
 - (a) an owner shall, unless the deed of mutual covenant (if any) otherwise provides, have one vote in respect of each share he owns;
 - (b) an owner may cast a vote personally or by proxy;

- (c) where 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast—
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under subparagraph (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners; and
 - (d) where 2 or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that share in the register kept at the Land Registry shall be treated as valid. (*Added 5 of 2007 s. 6*)
- (3H) For the purposes of subsection (3G)—
- (a) the instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A, and—
 - (i) shall be signed by the owner; or
 - (ii) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf;
 - (b) the instrument appointing a proxy shall be lodged with the convenor at least 48 hours before the time for the holding of the meeting;
 - (c) the instrument appointing a proxy is valid only if it is made and lodged in accordance with paragraphs (a) and (b);
 - (d) a proxy appointed by an owner to attend and vote on behalf of the owner shall, for the purposes of the meeting, be treated as being the owner present at the meeting; and
 - (e) where an instrument appointing a proxy is lodged with the convenor, the convenor shall—

- (i) acknowledge receipt of the instrument by leaving a receipt at the flat of the owner who made the instrument, or depositing the receipt in the letter box for that flat, before the time for the holding of the meeting;
 - (ii) determine the validity of the instrument in accordance with paragraph (c); and
 - (iii) display information of the owner's flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information to remain so displayed until the conclusion of the meeting. *(Added 5 of 2007 s. 6)*
- (3I) Subject to subsection (3J), the convenor shall keep all the instruments for the appointment of proxies that have been lodged with him for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 6)*
- (3J) Where a management committee is appointed at a meeting of owners convened under this section—
 - (a) the convenor shall deliver to the management committee immediately after the conclusion of the meeting all the instruments for the appointment of proxies that have been lodged with him; and
 - (b) the management committee shall keep the instruments for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 6)*
- (3K) Subject to subsection (3L), where a meeting of owners convened under this section is adjourned, subsections (3A), (3B), (3C), (3D), (3E), (3F), (3G), (3H), (3I) and (3J) shall apply to the adjourned meeting as they apply to the original meeting. *(Added 5 of 2007 s. 6)*
- (3L) Where a meeting of owners convened under this section is adjourned, a valid instrument appointing a proxy made for the purposes of the original meeting shall remain valid for the purposes of the adjourned meeting unless—
 - (a) contrary intention is shown on the instrument;
 - (b) the instrument is revoked; or
 - (c) the instrument is replaced by a new instrument appointing a proxy. *(Added 5 of 2007 s. 6)*

- (4) Any owner, or person referred to in section 3(1)(a) or (b), as the case may be, who wishes to oppose the appointment of a management committee may, by notice given to the Authority at least 7 days before the date of the meeting, object to the order convening the meeting of owners under this section.
- (5) If, under subsection (4), the Authority receives—
 - (a) notices of objection from the owners of not less than 20% of the shares in aggregate; or (*Amended 12 of 1998 s. 2*)
 - (b) a notice of objection from a person referred to in section 3(1)(a) or (b) endorsed or otherwise supported by the owners of not less than 20% of the shares in aggregate, (*Amended 12 of 1998 s. 2; 69 of 2000 s. 4*)

any order of the Authority under subsection (1) shall be of no effect and the Authority shall notify the convenor accordingly who shall, so far as practicable, bring the notification to the attention of each owner or other person to whom a notice has been given under subsection (3A). (*Amended 5 of 2007 s. 42*)
- (6) Where any order of the Authority is of no effect by virtue of subsection (5) the Authority may advise the applicant to apply to the tribunal under section 4(1)(a) or the Authority or an authorized officer may apply to the tribunal under section 4(1)(b).

(Added 27 of 1993 s. 6. Amended 5 of 2007 s. 6)

4. Appointment of management committee after application to tribunal

- (1) The tribunal may, upon application by— (*Amended 27 of 1993 s. 42*)
 - (a) the owners of not less than 10% of the shares in aggregate; or (*Amended 69 of 2000 s. 5; 5 of 2007 s. 43*)
 - (b) the Authority or an authorized officer, (*Replaced 27 of 1993 s. 7*)

order that a meeting of owners shall be convened, by such owner as the tribunal may direct, to appoint a management committee. (*Amended 27 of 1993 s. 42*)
- (2) Upon the making of an order under subsection (1) the tribunal may order that the costs of the application shall be paid by the applicant or by any person opposing the application. (*Amended 27 of 1993 s. 42*)

- (3) If a corporation is established under Part III, the corporation shall refund to the applicant any costs paid by him in accordance with an order made under subsection (2). *(Amended 27 of 1993 s. 7)*
- (4) At a meeting of owners convened under this section, the owners may, by a resolution passed by a majority of the votes of the owners voting either personally or by proxy, appoint a management committee. *(Replaced 27 of 1993 s. 7. Amended 5 of 2007 s. 7)*
- (5) The convenor shall, at least 14 days before the date of the meeting of owners, give notice of the meeting to each owner and the person referred to in section 3(1)(a) or (b) (if any). *(Added 5 of 2007 s. 7)*
- (6) The notice of meeting shall specify—
 - (a) the date, time and place of the meeting; and
 - (b) the resolutions that are to be proposed at the meeting and are related only to the appointment of a management committee and the incorporation of the owners. *(Added 5 of 2007 s. 7)*
- (7) The notice of meeting may be given—
 - (a) in the case of an owner—
 - (i) by delivering it personally to the owner;
 - (ii) by sending it by post to the owner at his last known address; or
 - (iii) by leaving it at the owner's flat or depositing it in the letter box for that flat; or
 - (b) in the case of a person referred to in section 3(1)(a) or (b) —
 - (i) by delivering it personally to the person; or
 - (ii) by sending it by post to the person at his last known address. *(Added 5 of 2007 s. 7)*
- (8) The convenor shall also, at least 14 days before the date of the meeting of owners, display the notice of meeting in a prominent place in the building. *(Added 5 of 2007 s. 7)*
- (9) The convenor shall preside at a meeting of owners convened under this section. *(Added 5 of 2007 s. 7)*
- (10) The quorum at a meeting of owners convened under this section shall be 10% of the owners. *(Added 5 of 2007 s. 7)*

- (11) At a meeting of owners convened under this section—
- (a) an owner shall, unless the deed of mutual covenant (if any) otherwise provides, have one vote in respect of each share he owns;
 - (b) an owner may cast a vote personally or by proxy;
 - (c) where 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast—
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under subparagraph (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners; and
 - (d) where 2 or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that share in the register kept at the Land Registry shall be treated as valid. (*Added 5 of 2007 s. 7*)
- (12) For the purposes of subsection (11)—
- (a) the instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A, and—
 - (i) shall be signed by the owner; or
 - (ii) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf;
 - (b) the instrument appointing a proxy shall be lodged with the convenor at least 48 hours before the time for the holding of the meeting;
 - (c) the instrument appointing a proxy is valid only if it is made and lodged in accordance with paragraphs (a) and (b);
 - (d) a proxy appointed by an owner to attend and vote on behalf of the owner shall, for the purposes of the meeting, be treated as being the owner present at the meeting; and

- (e) where an instrument appointing a proxy is lodged with the convenor, the convenor shall—
 - (i) acknowledge receipt of the instrument by leaving a receipt at the flat of the owner who made the instrument, or depositing the receipt in the letter box for that flat, before the time for the holding of the meeting;
 - (ii) determine the validity of the instrument in accordance with paragraph (c); and
 - (iii) display information of the owner's flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information to remain so displayed until the conclusion of the meeting. *(Added 5 of 2007 s. 7)*
- (13) Subject to subsection (14), the convenor shall keep all the instruments for the appointment of proxies that have been lodged with him for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 7)*
- (14) Where a management committee is appointed at a meeting of owners convened under this section—
 - (a) the convenor shall deliver to the management committee immediately after the conclusion of the meeting all the instruments for the appointment of proxies that have been lodged with him; and
 - (b) the management committee shall keep the instruments for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 7)*
- (15) Subject to subsection (16), where a meeting of owners convened under this section is adjourned, subsections (5), (6), (7), (8), (9), (10), (11), (12), (13) and (14) shall apply to the adjourned meeting as they apply to the original meeting. *(Added 5 of 2007 s. 7)*
- (16) Where a meeting of owners convened under this section is adjourned, a valid instrument appointing a proxy made for the purposes of the original meeting shall remain valid for the purposes of the adjourned meeting unless—
 - (a) contrary intention is shown on the instrument;
 - (b) the instrument is revoked; or

- (c) the instrument is replaced by a new instrument appointing a proxy. *(Added 5 of 2007 s. 7)*

8. Incorporation

- (1) The Land Registrar shall, if satisfied that the provisions of section 3, 3A, 4 or 40C and section 7(2) and (3) have been complied with, issue a certificate of registration in such form as may be specified by the Authority from time to time. *(Amended 8 of 1993 s. 3; 27 of 1993 ss. 10 & 42; 69 of 2000 s. 9)*
- (1A) The Land Registrar shall not issue a certificate of registration to more than one corporation for a building in respect of which a deed of mutual covenant is in force. *(Added 5 of 2007 s. 11)*
- (2) With effect from the date of issue of the certificate of registration under subsection (1)—
 - (a) the owners for the time being shall be a body corporate with perpetual succession and shall in the name of the corporation specified in the certificate of registration be capable of suing and being sued and, subject to this Ordinance, of doing and suffering all such other acts and things as bodies corporate may lawfully do and suffer; *(Amended 52 of 1975 s. 2)*
 - (aa) the corporation shall have, and be deemed always to have had, the power to hold an undivided share in the building, together with the right to the exclusive possession of any part of the building other than the common parts thereof; and *(Added 52 of 1975 s. 2)*
 - (b) the management committee appointed under section 3, 3A, 4 or 40C shall be deemed to be the first management committee of the corporation. *(Amended 27 of 1993 s. 10; 69 of 2000 s. 9)*
- (3) A corporation shall have a common seal, the affixing of which shall be authenticated by the signature of the chairman and secretary of the management committee.
- (4) A corporation shall have a registered office in Hong Kong. *(Amended 27 of 1993 s. 10)*
- (5) Schedule 3 shall have effect with respect to the meetings and procedure of a corporation. *(Amended 5 of 2007 s. 46)*

11. Display of copy certificate of registration, etc.

- (1) The following documents, namely—
 - (a) a copy of the certificate of registration issued under section 8(1), or a copy of the amended certificate of registration issued under section 10(4), as the case may be;
 - (b) in the case where the building is the registered office of the corporation, a notice of registered office in the form described in subsection (1B);
 - (c) in the case where the building is not the registered office of the corporation, a copy of that notice endorsed with the address of the registered office,

shall be displayed by the management committee in a prominent place in the building. *(Replaced 27 of 1993 s. 12)*

- (1A) Where the building is not the registered office of the corporation, a notice of registered office in the form described in subsection (1B) shall be displayed or caused to be displayed by the management committee in a prominent place at the registered office of the corporation. *(Added 27 of 1993 s. 12)*

- (1B) The notice of registered office, or a copy thereof, shall be in the form “Registered Office of the Incorporated Owners of”. *(Added 27 of 1993 s. 12)*

(description of building)

- (2) A corporation which exhibits or uses any name of or for the corporation in Chinese characters, whether or not such name is a transliteration or translation of its name in its certificate of registration, or amended certificate of registration referred to in subsection (1)(a), as the case may be, shall append to such name so used in Chinese characters the Chinese characters “業主立案法團”. *(Amended 27 of 1993 s. 12)*

- (3) In the event of a contravention of this section, every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 1 unless he proves that the offence was committed without his consent or connivance and that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances. *(Amended 27 of 1993 s. 42; E.R. 5 of 2021)*

18. Duties and powers of corporation

- (1) The corporation shall—
 - (a) maintain the common parts and the property of the corporation in a state of good and serviceable repair and clean condition;
 - (b) carry out such work as may be ordered or required in respect of the common parts by any public officer or public body in exercise of the powers conferred by any Ordinance;
 - (c) do all things reasonably necessary for the enforcement of the obligations contained in the deed of mutual covenant (if any) for the control, management and administration of the building.
- (2) A corporation may, in its discretion—
 - (a) engage and remunerate staff for any purpose relating to the powers or duties of the corporation under this Ordinance or the deed of mutual covenant (if any); (*Amended 27 of 1993 s. 17*)
 - (aa) subject to such terms and conditions as to attendance at meetings of a management committee and its sub-committees as the management committee may determine, pay the chairman, vice-chairman (if any), secretary and treasurer of the management committee appointed under section 14(2) or paragraph 2(1), 5(2), 6 or 6A of Schedule 2 such allowances as may be approved by the corporation by resolution passed at a general meeting, in accordance with, but in aggregate not exceeding, the maximum allowances specified in Schedule 4; (*Added 27 of 1993 s. 17. Amended 5 of 2007 s. 50*)
 - (b) retain and remunerate accountants for the purposes of auditing the corporation's books of accounts and preparing the annual income and expenditure accounts and balance sheets;
 - (c) retain and remunerate a manager or other professional trade or business firm or person to carry out on behalf of the corporation any of the duties or powers of the corporation under this Ordinance or the deed of mutual covenant (if any); (*Amended 27 of 1993 s. 17*)
 - (d) (*Repealed 69 of 2000 s. 10*)

- (e) purchase, hire or otherwise acquire movable property for use by the owners in connexion with their enjoyment of the common parts or to satisfy any requirement of a public officer or public body for the purpose of any Ordinance;
 - (f) establish and maintain lawns, gardens and playgrounds on the common parts;
 - (fa) carry out any renovation, improvement or decoration work, as the case may be, to the common parts; (*Added 12 of 1998 s. 5*)
 - (g) act on behalf of the owners in respect of any other matter in which the owners have a common interest. (*Amended 27 of 1993 s. 17*)
- (2A) Without prejudice to the generality of subsections (1) and (2), the corporation in the performance of its duties and the exercise of its powers under this section shall have regard to and be guided by Codes of Practice issued from time to time under section 44(1). (*Added 69 of 2000 s. 10*)
- (3) For the avoidance of doubt, it is declared that a member of a management committee shall not be entitled to receive an allowance under subsection (2)(aa) in respect of more than one office held by him at the same time. (*Added 27 of 1993 s. 17*)
- (4) No provision in a deed of mutual covenant or other agreement shall operate to prevent a member of a management committee who is entitled to receive an allowance under subsection (2) (aa) from receiving that allowance and any such provision, including a provision purporting to substitute some lesser allowance (howsoever named) for that allowance, shall be void and of no effect. (*Added 27 of 1993 s. 17*)
- (Amended 5 of 2007 s. 14)*

20. Establishment of funds

- (1) A corporation shall establish and maintain a general fund—
 - (a) to defray the cost of the exercise of its powers and the performance of its duties under the deed of mutual covenant (if any) and this Ordinance; and

- (b) to pay Government rent, premiums, taxes or other outgoings (including any outgoings in relation to any maintenance or repair work) which are payable in respect of the building as a whole. (*Amended 27 of 1993 s. 19; 29 of 1998 s. 105*)
- (2) A corporation may establish and maintain a contingency fund—
 - (a) to provide for any expenditure of an unexpected or urgent nature; and
 - (b) to meet any payments of the kind specified in subsection (1) if the fund established thereby is insufficient to meet them.
- (3) A corporation shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the building. (*Added 27 of 1993 s. 19. Amended 5 of 2007 s. 15*)
- (4) Subject to subsections (5) and (6), a corporation shall without delay pay all money received by the corporation in respect of the management of the building into the account opened and maintained under subsection (3). (*Added 27 of 1993 s. 19. Amended 5 of 2007 s. 15*)
- (5) Subject to subsection (6), the treasurer of a management committee may, out of money received by the corporation in respect of the management of the building, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the management committee. (*Added 27 of 1993 s. 19*)
- (6) The retention of a reasonable amount of money under subsection (5) or the payment of that amount into a current account in accordance with that subsection and any other arrangement for dealing with money received by a corporation shall be subject to such conditions as may be approved by a resolution of the management committee. (*Added 27 of 1993 s. 19*)
- (7) Any reference in this section to an account is a reference to an account opened—
 - (a) with a bank within the meaning of section 2 of the Banking Ordinance (Cap. 155); and

- (b) in the name of the corporation. *(Replaced 49 of 1995 s. 53)*

20A. Supplies, goods and services

- (1) The procurement of all supplies, goods or services required by a corporation in the exercise of its powers and the performance of its duties under the deed of mutual covenant (if any) or this Ordinance shall comply with such standards and guidelines as may be specified in a Code of Practice relating to such procurement.
- (2) Subject to subsection (2A), any supplies, goods or services referred to in subsection (1) the value of which exceeds or is likely to exceed— *(Amended 5 of 2007 s. 16)*
 - (a) the sum of \$200,000 or such other sum in substitution therefor as the Authority may specify by notice in the Gazette; or
 - (b) a sum which is equivalent to 20% of the annual budget of the corporation or such other percentage in substitution therefor as the Authority may specify by notice in the Gazette,

whichever is the lesser, shall be procured by invitation to tender. *(Amended 5 of 2007 s. 16)*

- (2A) Subsection (2) does not apply to any supplies, goods or services which but for this subsection would be required to be procured by a corporation by invitation to tender (referred to in this subsection as ***relevant supplies, goods or services***) if—
 - (a) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the corporation by a supplier; and
 - (b) the corporation decides by a resolution of the owners passed at a general meeting of the corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender. *(Added 5 of 2007 s. 16)*
- (2B) Where any supplies, goods or services are required under subsection (2)(b) to be procured by invitation to tender, whether a tender submitted for the purpose is accepted or not shall be decided by a resolution of the owners passed at a general meeting of the corporation. *(Added 5 of 2007 s. 16)*

- (3) *(Repealed 5 of 2007 s. 16)*
- (4) All tender documents, copies of contracts, accounts and invoices and any other documents in the possession of a corporation and relating to the procurement of supplies, goods and services shall be kept by the corporation for such period, being not less than 6 years, as the corporation may determine.
- (5) A contract for the procurement of any supplies, goods or services shall not be void by reason only that it does not comply with subsection (1). *(Added 5 of 2007 s. 16)*
- (6) Where any supplies, goods or services are required under subsection (2) to be procured by invitation to tender, a contract for the procurement of the supplies, goods or services which does not comply with subsection (2) or (2B)—
 - (a) subject to any resolution passed by the corporation under paragraph (b) or any order made by the court under subsection (7), shall not be void by reason only that it does not comply with subsection (2) or (2B);
 - (b) subject to any order made by the court under subsection (7), may be avoided by the corporation by a resolution of the owners passed at a general meeting of the corporation but only for the reason that it does not comply with subsection (2) or (2B). *(Added 5 of 2007 s. 16)*
- (7) In any legal proceedings in relation to a contract for the procurement of any supplies, goods or services to which subsection (2) or (2B) applies, the court may make such orders (including whether the contract is void or voidable) and give such directions in respect of the rights and obligations of the contractual parties as the court thinks fit having regard to all the circumstances of the case, including (but not limited to) the following factors—
 - (a) whether the supplies, goods or services have been procured by invitation to tender;
 - (b) whether a general meeting of the corporation has been convened to consider the procurement of the supplies, goods or services;
 - (c) whether the Code of Practice referred to in subsection (1) has been complied with;

- (d) whether the contract has been split, for the sole purpose of avoiding the compliance of the requirements in subsection (2) or (2B), from a contract which should have been made for the procurement of supplies, goods or services of greater value;
 - (e) whether the supplies, goods or services were urgently required;
 - (f) the progress of any activities or works in relation to the supplies, goods or services;
 - (g) whether the owners have benefited from the contract;
 - (h) whether the owners have incurred any financial loss due to the contract and the extent thereof;
 - (i) whether the supplier of the supplies, goods or services under the contract has acted in good faith;
 - (j) whether the supplier of the supplies, goods or services under the contract has benefited from the contract; and
 - (k) whether the supplier of the supplies, goods or services under the contract has incurred any financial loss due to the contract and the extent thereof. *(Added 5 of 2007 s. 16)*
- (8) For the purposes of subsection (7), where the court makes an order that the contract is voidable at the instance of the corporation, it shall also make an order that a general meeting of the corporation be convened and held in such manner as the court thinks fit, so as to decide whether the contract is to be avoided. *(Added 5 of 2007 s. 16)*
- (9) For the avoidance of doubt, subject to section 29A, any person who enters into a contract for the procurement of any supplies, goods or services otherwise than in compliance with subsection (2) or, if applicable, subsection (2B) may be personally liable for any claims arising from the contract. *(Added 5 of 2007 s. 16)*

(Added 27 of 1993 s. 20)

21. Contributions to funds

- (1) Subject to subsection (4), a management committee shall determine the amount to be contributed by the owners to the funds established and maintained under section 20 during such period—

- (a) in the case of the first such period after the date of registration of the corporation, not exceeding 15 months; and
 - (b) in any other case, not exceeding 12 months, as the management committee may determine. *(Replaced 27 of 1993 s. 21)*
- (1A) Subject to subsection (3), any amount (***subsequent amount*** (其後的款額)) determined by a management committee under subsection (1) after the first such amount (so determined under that subsection) shall not exceed a sum equivalent to 150% of the preceding amount (so determined under that subsection) unless that subsequent amount is approved by the corporation by a resolution passed at a general meeting. *(Added 27 of 1993 s. 21)*
- (2) Subject to section 14(1) and to subsection (3), a management committee shall not increase the amount determined in accordance with subsection (1). *(Amended 27 of 1993 s. 42)*
- (3) A management committee may increase the amount required to be contributed by the owners to the extent to which the funds established and maintained under section 20 are insufficient to meet any payment due by the corporation in respect of the cost of complying with—
- (a) an order of the tribunal; or *(Amended 27 of 1993 s. 42)*
 - (b) any notice, order or other document served upon the corporation in relation to the common parts by a public officer or public body under any Ordinance.
- (4) Schedule 5 shall have effect with respect to the amount to be determined under subsection (1), the preparation of budgets by the management committee for such determinations and the supply of copies of any documents in respect of those budgets. *(Added 27 of 1993 s. 21. Amended 5 of 2007 s. 51)*
- (5) In the event of any inconsistency between this section (which shall be construed to include Schedule 5) and the terms of a deed of mutual covenant or any other agreement, this section shall prevail. *(Added 27 of 1993 s. 21. Amended 5 of 2007 s. 51)*

27. Accounts of corporation

- (1) Subject to subsection (3), a management committee shall maintain proper books or records of account and other financial records and shall prepare, not later than 15 months after the date of the registration of the corporation and thereafter every 12 months, financial statements which — *(Amended 5 of 2007 s. 18)*
 - (a) shall be signed by—
 - (i) the chairman of the management committee; and
 - (ii) the secretary or the treasurer of the management committee;
 - (b) if subsection (1A) is applicable, shall be audited under that subsection; and
 - (c) together with the accountant's report made under subsection (1A), if any, shall be laid before the corporation at the annual general meeting of the corporation convened in accordance with paragraph 1(1) of Schedule 3. *(Replaced 27 of 1993 s. 23. Amended 5 of 2007 s. 18)*
- (1AA) The financial statements referred to in subsection (1) shall include—
 - (a) an income and expenditure account which gives a true and fair view of the financial transactions of the corporation for the period to which it relates; and
 - (b) a balance sheet which gives a true and fair view of the financial position of the corporation as at the date to which the income and expenditure account is made up. *(Added 5 of 2007 s. 18)*

- (1A) Except in the case of a corporation incorporated in respect of a building which contains not more than 50 flats, the financial statements referred to in subsection (1) shall be audited by an accountant retained by the corporation as may be approved by the corporation by a resolution passed at a general meeting and that accountant shall report as to whether such financial statements are, in his opinion, properly prepared so as to give a true and fair view of the financial transactions of the corporation for the period to which the income and expenditure account relates and the financial position of the corporation as at the date to which the income and expenditure account is made up, subject to such qualification, if any, as he may think fit. *(Replaced 69 of 2000 s. 11. Amended 5 of 2007 s. 18)*
- (1B) In subsection (1A), **flats** (單位) does not mean any garage, carpark or carport. *(Added 69 of 2000 s. 11)*
- (2) The management committee shall permit the Authority, an authorized officer, the tenants' representative, an owner, a registered mortgagee or any person authorized in writing in that behalf by an owner or registered mortgagee to inspect the books of account at any reasonable time. *(Amended 27 of 1993 s. 23)*
- (3) In the event of a contravention of subsection (1), every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 5 unless he proves— *(Amended 27 of 1993 s. 42; 69 of 2000 s. 11)*
- (a) that the offence was committed without his consent or connivance; and
- (b) that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.
- (4) Schedule 6 shall have effect with respect to the maintenance of proper books or records of account and other records (including the keeping of such accounts and records), the inspection of any documents referred to in such accounts and records, the preparation of summaries of income and expenditure and the supply of copies of any documents in respect of those accounts and summaries. *(Added 27 of 1993 s. 23. Amended 5 of 2007 ss. 18 & 52)*

- (5) In the event of any inconsistency between this section (which shall be construed to include Schedule 6) and the terms of a deed of mutual covenant or any other agreement, this section shall prevail. *(Added 27 of 1993 s. 23. Amended 5 of 2007 s. 52)*

28. Matters regarding insurance

(Amended 5 of 2007 s. 37)

- (1) A corporation shall procure and keep in force in relation to the common parts of the building and the property of the corporation, such policy of insurance with an insurance company in respect of third party risks as complies with any requirement prescribed for the purposes of this section.
- (2) In the event of a contravention of subsection (1), every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 5 unless he proves—
- (a) that the offence was committed without his consent or connivance; and
 - (b) that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.
- (3) A corporation may insure and keep insured with an insurance company the common parts of the building and the property of the corporation to the reinstatement value thereof against fire and other risks.
- (4) Where a corporation has effected any policy of insurance with an insurance company by virtue of this section the management committee shall permit the Authority, an authorized officer, the tenants' representative, an occupier, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an occupier, an owner or registered mortgagee, to inspect the policy of insurance and any receipt for the premium in respect thereof at any reasonable time.
- (5) Where any person (other than the Authority or an authorized officer) referred to in subsection (4) requests the corporation to supply him with copies of the policy of insurance and any receipt for the premium in respect of that policy, the treasurer of the management committee shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.

- (6) The treasurer of the management committee shall, if requested by the Authority or an authorized officer and without raising any charge, supply the copies referred to in subsection (5) to the Authority or that officer.
- (6A) The secretary of the management committee shall, within 28 days after the corporation has effected a policy of insurance under subsection (1), give notice of the name and address of the insurance company and the period covered by the policy of insurance to the Land Registrar in such form as the Land Registrar may specify. (*Added 5 of 2007 s. 37*)
- (7) In this section and in section 41, **insurance company** (保險公司)—
- (a) means an insurer authorized under section 8 of the Insurance Ordinance (Cap. 41) (**Cap. 41**), or deemed to be so authorized under section 61(1) or (2) of Cap. 41 as in force immediately before the commencement date* of section 10 of the Insurance Companies (Amendment) Ordinance 2015 (12 of 2015) having continuing effect by the operation of section 2(7) of Schedule 11 to Cap. 41, to carry on insurance business; (*Replaced 12 of 2015 s. 114*)
 - (b) means the society of underwriters known in the United Kingdom as Lloyd's; and
 - (c) means an association of underwriters approved by the Insurance Authority.
- (Replaced 69 of 2000 s. 12. Amended 5 of 2007 s. 37)*

Editorial Note:

* Commencement date: 26 June 2017.

34D. Interpretation

- (1) In this Part and Schedules 7 and 8, unless the context otherwise requires— (*Amended 5 of 2007 s. 56*)

DMC manager (公契經理人), in relation to a building, means the person who is specified in the deed of mutual covenant to manage the building; (*Added 5 of 2007 s. 20*)

manager (經理人), in relation to a building, means the DMC manager or any other person who for the time being is, for the purposes of the deed of mutual covenant, managing the building; (*Replaced 5 of 2007 s. 20*)

material date (關鍵日期) means the commencement* of section 29 of the Multi-storey Buildings (Owners Incorporation) (Amendment) Ordinance 1993 (27 of 1993);

owners' committee (業主委員會), in relation to a building, means the committee of owners (howsoever named) formed under or in accordance with the deed of mutual covenant in respect of the building. *(Replaced 5 of 2007 s. 20)*

- (2) In this Part and Schedule 7, a reference to a resolution of the owners' committee is a reference to a resolution passed by a majority of the votes of the members of the owners' committee present at a meeting convened and conducted in accordance with the deed of mutual covenant. *(Amended 5 of 2007 s. 56)*
- (3) In this Part and Schedule 7, a reference to a resolution of the owners is— *(Amended 5 of 2007 s. 20)*
 - (a) if there is a corporation, a reference to a resolution passed at a general meeting of the corporation convened and conducted in accordance with Schedule 3; or *(Amended 5 of 2007 s. 56)*
 - (b) if there is no corporation, a reference to a resolution passed by a majority of the votes of the owners voting either personally or by proxy at a general meeting convened and conducted in accordance with the deed of mutual covenant.
- (4) *(Repealed 5 of 2007 s. 20)*

Editorial Note:

* Commencement date: 8 May 1993.

34F. Terms added if consistent with deed of mutual covenant

- (1) The provisions in Schedule 8 shall, to the extent that they are consistent with the deed of mutual covenant, be impliedly incorporated— *(Amended 5 of 2007 s. 58)*
 - (a) into every deed of mutual covenant made on or after the material date; and
 - (b) as from the material date, into every deed of mutual covenant made before that date.
- (2) Subject to subsection (3), the provisions incorporated into a deed of mutual covenant by virtue of this section shall bind the owners and manager of the building.

- (3) Any provision in Schedule 8 that is impliedly incorporated into a deed of mutual covenant under this section may, insofar as that provision is so incorporated, by a resolution of the owners, be amended, deleted, or re-incorporated into the deed of mutual covenant. (*Amended 5 of 2007 s. 58*)
- (4) This section shall not operate to attach new legal consequences to any act done or omission occurring under a deed of mutual covenant before the material date.

40B. Appointment of building management agent by order of Authority

- (1) Where it appears to the Authority in the case of any building having a management committee that—
 - (a) no person is, for the time being, managing that building;
 - (b) the management committee has, in any material particular, failed substantially to perform the duties of a corporation under section 18 including without limitation, the duty of a corporation under subsection (2A) of that section to have regard to and be guided by Codes of Practice; and
 - (c) by reason of the circumstances mentioned in paragraphs (a) and (b), there is a danger or risk of danger to the occupiers or owners of the building,the Authority may order that, within such reasonable period as shall be specified in the order, the management committee must appoint a building management agent for the purposes of managing that building.
- (2) Where a management committee without reasonable excuse fails to comply with an order made under subsection (1), every member of the management committee shall be guilty of an offence and shall be liable on conviction to a fine at level 5 and in the case of a continuing offence, to a further daily fine of \$1,000 for each day during which the offence continues, unless he proves—
 - (a) that the offence was committed without his consent or connivance; and
 - (b) that he exercised all such due diligence to prevent the commission of the offence as he ought to have exercised in the circumstances.

- (3) For the purposes of this section and section 40C, a person is eligible to be appointed as a building management agent if his name appears in a list of persons engaged in the business of the management of buildings compiled by the Authority from time to time and published in the Gazette. *(Replaced 5 of 2007 s. 22)*

(Added 69 of 2000 s. 19)

40C. Appointment of management committee or building management agent by order of tribunal

- (1) Where upon the application of the Authority it appears to the tribunal in the case of any building that—
- (a) a management committee has not been and is not likely to be appointed under section 3, 3A or 4, notwithstanding an order of the tribunal made under section 4;
 - (b) no person is, for the time being, managing that building; and
 - (c) the Authority is satisfied that by reason of the circumstances mentioned in paragraphs (a) and (b), there is a danger or risk of danger to the occupiers or owners of the building,
- the tribunal may order that, within such reasonable period as shall be specified in the order, a meeting of owners must be convened by such owner as shall be named in the order to deal with the matters referred to in subsection (2) for the purposes of managing that building.
- (2) The matters referred to in subsection (1) are, consecutively—
- (a) to consider and, if thought fit, to pass a resolution which appoints a management committee;
 - (b) where that resolution is not passed, to consider and, if thought fit, to pass a resolution which appoints a building management agent,
- for the purposes of managing that building.
- (3) At a meeting of owners convened under this section, the owners may, by a resolution passed by a majority of the votes of the owners voting either personally or by proxy, appoint—
- (a) a management committee; or
 - (b) (if no management committee is appointed) a building management agent. *(Replaced 5 of 2007 s. 23)*

- (3A) If no management committee or building management agent is appointed at the meeting of owners, the convenor may appoint a building management agent directly. *(Added 5 of 2007 s. 23)*
- (4) The convenor shall, at least 14 days before the date of the meeting of owners, give notice of the meeting to each owner and the person referred to in section 3(1)(a) or (b) (if any). *(Replaced 5 of 2007 s. 23)*
- (5) The notice of meeting shall specify—
- (a) the date, time and place of the meeting; and
 - (b) the resolutions that are to be proposed at the meeting and are related only to the appointment of a management committee, the incorporation of the owners and the appointment of a building management agent. *(Added 5 of 2007 s. 23)*
- (6) The notice of meeting may be given—
- (a) in the case of an owner—
 - (i) by delivering it personally to the owner;
 - (ii) by sending it by post to the owner at his last known address; or
 - (iii) by leaving it at the owner's flat or depositing it in the letter box for that flat; or
 - (b) in the case of a person referred to in section 3(1)(a) or (b) —
 - (i) by delivering it personally to the person; or
 - (ii) by sending it by post to the person at his last known address. *(Added 5 of 2007 s. 23)*
- (7) The convenor shall also, at least 14 days before the date of the meeting of owners, display the notice of meeting in a prominent place in the building. *(Added 5 of 2007 s. 23)*
- (8) The convenor shall preside at a meeting of owners convened under this section. *(Added 5 of 2007 s. 23)*
- (9) The quorum at a meeting of owners convened under this section shall be 10% of the owners. *(Added 5 of 2007 s. 23)*
- (10) At a meeting of owners convened under this section—
- (a) each owner shall have one vote;
 - (b) an owner may cast a vote personally or by proxy;
 - (c) in the case of co-owners, the vote may be cast—

- (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under subparagraph (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners; and
 - (d) where, in the case of co-owners, more than one of the co-owners seeks to cast a vote, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in the register kept at the Land Registry shall be treated as valid. (*Added 5 of 2007 s. 23*)
- (11) For the purposes of subsection (10)—
- (a) the instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A, and—
 - (i) shall be signed by the owner; or
 - (ii) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf;
 - (b) the instrument appointing a proxy shall be lodged with the convenor at least 48 hours before the time for the holding of the meeting;
 - (c) the instrument appointing a proxy is valid only if it is made and lodged in accordance with paragraphs (a) and (b);
 - (d) a proxy appointed by an owner to attend and vote on behalf of the owner shall, for the purposes of the meeting, be treated as being the owner present at the meeting; and
 - (e) where an instrument appointing a proxy is lodged with the convenor, the convenor shall—
 - (i) acknowledge receipt of the instrument by leaving a receipt at the flat of the owner who made the instrument, or depositing the receipt in the letter box for that flat, before the time for the holding of the meeting;

- (ii) determine the validity of the instrument in accordance with paragraph (c); and
 - (iii) display information of the owner's flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information to remain so displayed until the conclusion of the meeting. *(Added 5 of 2007 s. 23)*
- (12) Subject to subsection (13), the convenor shall keep all the instruments for the appointment of proxies that have been lodged with him for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 23)*
- (13) Where a management committee or building management agent is appointed at a meeting of owners convened under this section—
 - (a) the convenor shall deliver to the management committee or building management agent, as the case may be, immediately after the conclusion of the meeting all the instruments for the appointment of proxies that have been lodged with him; and
 - (b) the management committee or building management agent, as the case may be, shall keep the instruments for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 23)*
- (14) Subject to subsection (15), where a meeting of owners convened under this section is adjourned, subsections (4), (5), (6), (7), (8), (9), (10), (11), (12) and (13) shall apply to the adjourned meeting as they apply to the original meeting. *(Added 5 of 2007 s. 23)*
- (15) Where a meeting of owners convened under this section is adjourned, a valid instrument appointing a proxy made for the purposes of the original meeting shall remain valid for the purposes of the adjourned meeting unless—
 - (a) contrary intention is shown on the instrument;
 - (b) the instrument is revoked; or
 - (c) the instrument is replaced by a new instrument appointing a proxy. *(Added 5 of 2007 s. 23)*

(Added 69 of 2000 s. 19)

42. Power to amend Schedules

- (1) The Chief Executive may, by order published in the Gazette, amend the Schedules other than Schedules 7 and 9.
- (2) The Chief Executive in Council may, by order published in the Gazette, amend Schedule 7.
- (3) The Authority may, by order published in the Gazette, amend Schedule 9.

(Replaced 27 of 1993 s. 35. Amended 34 of 1999 s. 3; 5 of 2007 s. 63)

44. Codes of Practice

- (1) The Authority may from time to time prepare, revise and issue Codes of Practice giving guidance and direction as to—
 - (a) the procurement of supplies, goods and services required by a corporation including such procurement by invitation to tender and the tender procedure in respect thereof;
 - (b) the standards and practices of management and safety that are to be observed and followed by a corporation including standards and practices relating to—
 - (i) building management;
 - (ii) building safety;
 - (iii) fire safety;
 - (iv) slope safety;
 - (v) lifts and escalators; and
 - (vi) utilities and other installations in the common parts of a building. *(Replaced 69 of 2000 s. 21)*
- (2) A failure on the part of any person to observe any Code of Practice issued under subsection (1) shall not of itself render that person liable to criminal proceedings of any kind but any such failure may, in any proceedings whether civil or criminal including proceedings for an offence under this Ordinance, be relied upon as tending to establish or to negative any liability which is in question in those proceedings.

(Added 27 of 1993 s. 36)

45. Jurisdiction of tribunal in relation to building management

- (1) The tribunal shall have jurisdiction to hear and determine any proceedings specified in Schedule 10.

- (2) No person other than a person to whom this section applies shall be competent to commence any proceedings referred to in subsection (1).
- (3) Subject to the provisions of this Ordinance, nothing in this section or Schedule 10 shall be construed to vest in the tribunal any jurisdiction other than civil jurisdiction or any jurisdiction to make any order which would, if made, have the effect of rendering void, negating or substantially varying in whole or in part any contractual or proprietary right enjoyed by any owner or occupier or otherwise referred to in the terms and provisions of an instrument which is registered in the Land Registry including a deed of mutual covenant (if any). (*Amended 69 of 2000 s. 22*)
- (4) This section applies to the following persons, namely—
- (a) an owner;
 - (aa) the Authority; (*Added 69 of 2000 s. 22*)
 - (b) a person referred to in section 3(1)(a) or (b);
 - (c) a management committee;
 - (d) a corporation;
 - (e) a manager within the meaning of Part VIA;
 - (f) an owners' committee within the meaning of that Part;
 - (g) a registered mortgagee;
 - (h) an administrator;
 - (i) with leave of the tribunal, the tenants' representative; or
 - (j) with leave of the tribunal, any other person specified in an instrument which is registered in the Land Registry including a deed of mutual covenant (if any).
- (5) In this section and Schedule 10, ***proprietary right*** (所有權權利) includes any such right express or implied whether specified in an easement, licence, permission or otherwise.

(Amended 5 of 2007 s. 64)

Schedule 2

[ss. 2, 6, 7, 14, 18, 34K & 42
& Sch. 3]
(Amended 5 of 2007 s. 27)

Composition and Procedure of Management Committee

(Format changes—E.R. 1 of 2015)

1. (1) The number of members of a management committee shall be as follows—
 - (a) where the building contains not more than 50 flats, the number of members shall be not less than 3;
 - (b) where the building contains more than 50 flats but not more than 100 flats, the number of members shall be not less than 7;
 - (c) where the building contains more than 100 flats, the number of members shall be not less than 9.
- (2) Subject to subparagraph (1), the number of members of a management committee shall be decided by a resolution of the owners under paragraph 2(1)(a).
- (3) Subject to subparagraph (1), the number of members of a management committee as decided under paragraph 2(1)(a) may be changed from time to time by a resolution of the owners passed at a general meeting of the corporation (except a general meeting of the corporation convened under paragraph 6A(1)).
- (4) A management committee shall include the tenants' representative (if any) appointed under section 15(1).

(Replaced 5 of 2007 s. 27)

- 1A. In paragraph 1, **flats** (單位) does not mean any garage, carpark or carport.

(Added 69 of 2000 s. 23)

2. (1) At a meeting of owners convened under section 3, 3A, 4 or 40C, after a management committee is appointed—
 - (a) the owners shall, by a resolution passed by a majority of the votes of the owners, decide the number of members of the management committee;
 - (b) subject to subparagraph (2), the owners shall, by resolution, appoint, from amongst the owners, the members of the management committee;
 - (c) the owners shall, by resolution—
 - (i) appoint a person, from amongst the members of the management committee, as the chairman of the management committee;
 - (ii) appoint a person, whether or not he is a member of the management committee, as the secretary of the management committee; and
 - (iii) appoint a person, whether or not he is a member of the management committee, as the treasurer of the management committee; and
 - (d) the owners may, by resolution, appoint a person, from amongst the members of the management committee, as the vice-chairman of the management committee. *(Replaced 5 of 2007 s. 27)*
- (2) The tenants' representative appointed under section 15(1) shall be deemed to be appointed by the owners as a member of the management committee.
- (3) For the purposes of appointing the members of a management committee under subparagraph (1)(b)—
 - (a) where the number of candidates is not more than the number of members of the management committee to be appointed, the candidates shall be deemed to be appointed as members of the management committee, and a resolution to that effect shall be deemed to be passed under subparagraph (1)(b) accordingly;
 - (b) where there are more candidates than the number of members of the management committee to be appointed—
—

- (i) the votes shall be given and counted in accordance with the simple or relative majority system of voting (otherwise known as the “first past the post” system of voting), under which—
 - (A) an owner may vote for not more than the number of members of the management committee to be appointed; and
 - (B) the candidates to be appointed as members of the management committee are those who obtain the greatest number of votes and then the next greatest and so on until the required number of members of the management committee is appointed;
 - (ii) if, after the counting is finished, a member of the management committee is still to be appointed and the most successful candidates remaining have an equal number of votes, the person who presides at the meeting shall determine the result by drawing lots, and the candidate on whom the lot falls is to be appointed as a member of the management committee. (*Added 5 of 2007 s. 27*)
- (4) For the purposes of appointing the chairman, vice-chairman (if applicable), secretary and treasurer of a management committee under subparagraph (1)(c) and (d)—
- (a) where there is only one candidate for the office of the chairman, vice-chairman, secretary or treasurer of the management committee, the candidate shall be deemed to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the management committee, and a resolution to that effect shall be deemed to be passed under subparagraph (1)(c) or (d), as the case may be, accordingly;
 - (b) where there is more than one candidate for the office of the chairman, vice-chairman, secretary or treasurer of the management committee—

- (i) the votes shall be given and counted in accordance with the simple or relative majority system of voting (otherwise known as the “first past the post” system of voting), under which the candidate to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the management committee is the candidate who obtains the greatest number of votes;
 - (ii) if, after the counting is finished, the most successful candidates for the office of the chairman, vice-chairman, secretary or treasurer of the management committee have an equal number of votes, the person who presides at the meeting shall determine the result by drawing lots, and the candidate on whom the lot falls is to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the management committee. *(Added 5 of 2007 s. 27)*
- (5) A person who is not a member of the management committee appointed under subparagraph (1)(b) does not by virtue of his appointment as the secretary or treasurer of the management committee under subparagraph (1)(c)(ii) or (iii), as the case may be, become a member of the management committee. *(Added 5 of 2007 s. 27)*
- (6) For the purposes of appointing the members, chairman, vice-chairman (if applicable), secretary and treasurer of a management committee under subparagraph (1)(b), (c) and (d) at a meeting of owners convened under section 3, 3A, 4 or 40C—
 - (a) if the meeting is convened under section 3, the provisions in section 3(7), (8), (9), (10), (11), (12), (13) and (14) shall apply as they apply for the purposes of appointing a management committee under section 3;
 - (b) if the meeting is convened under section 3A, the provisions in section 3A(3E), (3F), (3G), (3H), (3I), (3J), (3K) and (3L) shall apply as they apply for the purposes of appointing a management committee under section 3A;

- (c) if the meeting is convened under section 4, the provisions in section 4(9), (10), (11), (12), (13), (14), (15) and (16) shall apply as they apply for the purposes of appointing a management committee under section 4; or
- (d) if the meeting is convened under section 40C, the provisions in section 40C(8), (9), (10), (11), (12), (13), (14) and (15) shall apply as they apply for the purposes of appointing a management committee under section 40C. *(Added 5 of 2007 s. 27)*

(Replaced 27 of 1993 s. 39)

3. Subject to section 14 and paragraph 4, the members of the management committee appointed under paragraph 2(1)(b) shall hold office until the members of a new management committee are appointed under paragraph 5(2)(a).

(Amended 69 of 2000 s. 23; 5 of 2007 s. 27)

4. (1) For the purposes of section 14(2) and paragraphs 2(1)(b), 5(2)(a), 6 and 6A, a person is not eligible to be appointed as a member of a management committee if he—

- (a) is an undischarged bankrupt at the time of the appointment or has, within the previous 5 years, either obtained a discharge in bankruptcy or entered into a voluntary arrangement within the meaning of the Bankruptcy Ordinance (Cap. 6) with his creditors, in either case without paying the creditors in full;
- (b) has, within the previous 5 years, been convicted of an offence in Hong Kong or any other place for which he has been sentenced to imprisonment, whether suspended or not, for a term exceeding 3 months without the option of a fine. *(Replaced 5 of 2007 s. 27)*

- (2) A member of a management committee shall cease to be a member of the committee if he—

- (a) becomes disqualified for appointment as a member of a management committee under sub-paragraph (1);
- (b) becomes incapacitated by physical or mental illness;

- (c) absents himself from 3 or more consecutive meetings of the management committee without the consent of the management committee;
 - (d) resigns his office, by notice in writing delivered to the secretary of the management committee or (if he is the secretary or the office of the secretary is vacant) the chairman of the management committee; *(Amended 5 of 2007 s. 27)*
 - (da) in the case of a person deemed to be appointed under paragraph 2(2) in his capacity as the tenants' representative, ceases to be an occupier of a flat; *(Added 27 of 1993 s. 39)*
 - (e) ceases to be an owner, if appointed in his capacity as an owner; or *(Amended 5 of 2007 s. 27)*
 - (f) is removed from office by resolution of the corporation.
- (3) Every member of the management committee appointed under section 14(2) or paragraph 2(1)(b), 5(2)(a), 6 or 6A shall, within 21 days after the appointment, lodge with the secretary of the management committee a statement, in such form as the Land Registrar may specify, stating that he does not fall within the description of subparagraph (1)(a) or (b). *(Added 5 of 2007 s. 27. Amended 18 of 2014 s. 56)*
- (4) A member of the management committee who fails to comply with subparagraph (3) shall cease to be such member. *(Added 5 of 2007 s. 27)*
- (5) Subject to subparagraph (7), where a change occurs in any matter stated in a statement referred to in subparagraph (3), the person who made the statement shall, within 21 days after the change occurs, lodge with the secretary of the management committee another statement, in such form as the Land Registrar may specify, stating the particulars of the change. *(Added 5 of 2007 s. 27. Amended 18 of 2014 s. 56)*
- (6) The secretary of the management committee shall—
- (a) after receiving a statement by virtue of subparagraph (3) from a member of the management committee appointed under paragraph 2(1)(b), cause the statement to be lodged with the Land Registrar within the period of 28 days referred to in section 7(1);

- (b) within 28 days after receiving a statement by virtue of subparagraph (3) from a member of the management committee appointed under section 14(2) or paragraph 5(2)(a), 6 or 6A, or by virtue of subparagraph (5), lodge with the Land Registrar the statement. *(Added 5 of 2007 s. 27. Amended 18 of 2014 s. 56)*
- (7) Where the person referred to in subparagraph (5) is the secretary of the management committee, that person shall, within 28 days after the relevant change occurs, lodge with the Land Registrar a statement, in such form as the Land Registrar may specify, stating the particulars of the change. *(Added 5 of 2007 s. 27. Amended 18 of 2014 s. 56)*
- (8) Where, after the commencement* of Part 9 of the Statute Law (Miscellaneous Provisions) Ordinance 2014 (18 of 2014), a change occurs in any matter stated in a declaration lodged before the commencement* under subparagraph (3) that was in force immediately before the commencement*, the person who made the declaration must lodge a statement in accordance with subparagraph (5) or (7) as if that declaration were a statement lodged under subparagraph (3) on or after the commencement*. *(Added 18 of 2014 s. 56)*

Editorial Note:

* Commencement date: 5 January 2015.

- 5. (1) At the second annual general meeting of a corporation convened in accordance with paragraph 1(1)(b) of Schedule 3 and thereafter at every alternate annual general meeting — *(Amended 5 of 2007 ss. 27 & 65)*
 - (a) all members of the management committee (other than the member (if any) deemed to be appointed under paragraph 2(2) in his capacity as the tenants' representative);
 - (b) if the secretary of the management committee is not a member of the management committee, the secretary; and
 - (c) if the treasurer of the management committee is not a member of the management committee, the treasurer,shall retire from office. *(Amended 5 of 2007 s. 27)*

- (2) At an annual general meeting of a corporation at which the members of the management committee retire under subparagraph (1)—
 - (a) subject to subparagraph (2A), the corporation shall, by a resolution passed at the general meeting, appoint, from amongst the owners, the members of a new management committee;
 - (b) the corporation shall, by a resolution passed at the general meeting—
 - (i) appoint a person, from amongst the members of the new management committee, as the chairman of the new management committee;
 - (ii) appoint a person, whether or not he is a member of the new management committee, as the secretary of the new management committee; and
 - (iii) appoint a person, whether or not he is a member of the new management committee, as the treasurer of the new management committee; and
 - (c) the corporation may, by a resolution passed at the general meeting, appoint a person, from amongst the members of the new management committee, as the vice-chairman of the new management committee. *(Replaced 5 of 2007 s. 27)*
- (2A) The tenants' representative appointed under section 15(1) shall be deemed to be appointed by the corporation as a member of the new management committee. *(Added 5 of 2007 s. 27)*
- (2B) For the purposes of appointing the members of the new management committee under subparagraph (2)(a)—
 - (a) where the number of candidates is not more than the number of members of the new management committee to be appointed, the candidates shall be deemed to be appointed as members of the new management committee, and a resolution to that effect shall be deemed to be passed under subparagraph (2)(a) accordingly;
 - (b) where there are more candidates than the number of members of the new management committee to be appointed—

- (i) the votes shall be given and counted in accordance with the simple or relative majority system of voting (otherwise known as the “first past the post” system of voting), under which—
 - (A) an owner may vote for not more than the number of members of the new management committee to be appointed; and
 - (B) the candidates to be appointed as members of the new management committee are those who obtain the greatest number of votes and then the next greatest and so on until the required number of members of the new management committee is appointed;
 - (ii) if, after the counting is finished, a member of the new management committee is still to be appointed and the most successful candidates remaining have an equal number of votes, the person who presides at the meeting shall determine the result by drawing lots, and the candidate on whom the lot falls is to be appointed as a member of the new management committee. (*Added 5 of 2007 s. 27*)
- (2C) For the purposes of appointing the chairman, vice-chairman (if applicable), secretary and treasurer of the new management committee under subparagraph (2)(b) and (c)—
- (a) where there is only one candidate for the office of the chairman, vice-chairman, secretary or treasurer of the new management committee, the candidate shall be deemed to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the new management committee, and a resolution to that effect shall be deemed to be passed under subparagraph (2)(b) or (c), as the case may be, accordingly;
 - (b) where there is more than one candidate for the office of the chairman, vice-chairman, secretary or treasurer of the new management committee—

- (i) the votes shall be given and counted in accordance with the simple or relative majority system of voting (otherwise known as the “first past the post” system of voting), under which the candidate to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the new management committee is the candidate who obtains the greatest number of votes;
 - (ii) if, after the counting is finished, the most successful candidates for the office of the chairman, vice-chairman, secretary or treasurer of the new management committee have an equal number of votes, the person who presides at the meeting shall determine the result by drawing lots, and the candidate on whom the lot falls is to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the new management committee. *(Added 5 of 2007 s. 27)*
- (3) Members of the management committee who retire under subparagraph (1) shall be eligible for re-appointment under subparagraph (2).
- (4) A person who is not a member of the new management committee appointed under subparagraph (2)(a) does not by virtue of his appointment as the secretary or treasurer of the new management committee under subparagraph (2)(b)(ii) or (iii), as the case may be, become a member of the new management committee. *(Added 5 of 2007 s. 27)*

5A. A member of a management committee who ceases to be a member of the committee under paragraph 4(2) or (4) or retires from office under paragraph 5(1) and does not seek re-appointment to the committee shall, within 14 days of his ceasing to be a member or of his retirement, as the case may be, hand over to the secretary or, if the office of the secretary is vacant, the chairman of the management committee any books or records of account, papers, documents and other records in respect of the control, management and administration of the building together with any movable property belonging to the corporation that are under his control or in his custody or possession.

(Added 27 of 1993 s. 39. Amended 5 of 2007 s. 27)

6. (1) Notwithstanding paragraph 1, subject to subparagraph (1A) and paragraph 6A, a vacancy in a management committee which occurs other than by reason of the expiration of the term of office may be filled by the corporation or the management committee under subparagraph (3), (4) or (5), as the case requires. *(Replaced 5 of 2007 s. 27)*
- (1A) If the vacancy is caused by the tenants' representative ceasing to be a member of the management committee for whatever reason, the vacancy may be filled by the approved association (within the meaning of section 15(2)) appointing a new tenants' representative under section 15(1). *(Replaced 5 of 2007 s. 27)*
- (1B) *(Repealed 5 of 2007 s. 27)*
- (2) *(Repealed 5 of 2007 s. 27)*
- (3) If the vacancy occurs in the office of a member of a management committee (other than a vacancy caused by the tenants' representative ceasing to be a member of the management committee)—
 - (a) the corporation may, by a resolution passed at a general meeting of the corporation, appoint an owner to fill the vacancy till the next annual general meeting of the corporation at which the members of the management committee retire under paragraph 5(1); or
 - (b) if no general meeting of the corporation has been so convened or no appointment is made to fill the vacancy at a general meeting so convened, the management committee may appoint an owner to fill the vacancy till the next general meeting of the corporation. *(Added 5 of 2007 s. 27)*
- (4) If the vacancy occurs in the office of the chairman or vice-chairman of a management committee—
 - (a) the corporation may, by a resolution passed at a general meeting of the corporation, appoint a person, from amongst the members of the management committee, to fill the vacancy till the next annual general meeting of the corporation at which the members of the management committee retire under paragraph 5(1); or

- (b) if no general meeting of the corporation has been so convened or no appointment is made to fill the vacancy at a general meeting so convened, the members of the management committee may appoint a person, from amongst themselves, to fill the vacancy till the next general meeting of the corporation. (*Added 5 of 2007 s. 27*)
- (5) If the vacancy occurs in the office of the secretary or treasurer of a management committee—
 - (a) the corporation may, by a resolution passed at a general meeting of the corporation, appoint a person, whether or not he is a member of the management committee, to fill the vacancy till the next annual general meeting of the corporation at which the members of the management committee retire under paragraph 5(1); or
 - (b) if no general meeting of the corporation has been so convened or no appointment is made to fill the vacancy at a general meeting so convened, the management committee may appoint a person, whether or not he is a member of the management committee, to fill the vacancy till the next general meeting of the corporation. (*Added 5 of 2007 s. 27*)
- (6) A person who is not a member of a management committee does not by virtue of his appointment as the secretary or treasurer of the management committee under subparagraph (5)(a) or (b), as the case may be, become a member of the management committee. (*Added 5 of 2007 s. 27*)
- (7) For the purposes of filling the vacancy occurring in the office of a member of a management committee under subparagraph (3)(a)—
 - (a) where the number of candidates is not more than the number of members of the management committee to be appointed, the candidates shall be deemed to be appointed as members of the management committee, and a resolution to that effect shall be deemed to be passed under subparagraph (3)(a) accordingly;
 - (b) where there are more candidates than the number of members of the management committee to be appointed

- (i) the votes shall be given and counted in accordance with the simple or relative majority system of voting (otherwise known as the “first past the post” system of voting), under which—
 - (A) an owner may vote for not more than the number of members of the management committee to be appointed; and
 - (B) the candidates to be appointed as members of the management committee are those who obtain the greatest number of votes and then the next greatest and so on until the required number of members of the management committee is appointed;
 - (ii) if, after the counting is finished, a member of the management committee is still to be appointed and the most successful candidates remaining have an equal number of votes, the person who presides at the meeting shall determine the result by drawing lots, and the candidate on whom the lot falls is to be appointed as a member of the management committee. (*Added 5 of 2007 s. 27*)
- (8) For the purposes of filling the vacancy occurring in the office of the chairman or vice-chairman of a management committee under subparagraph (4)(a), or the office of the secretary or treasurer of a management committee under subparagraph (5) (a)—
- (a) where there is only one candidate for the office of the chairman, vice-chairman, secretary or treasurer of the management committee, the candidate shall be deemed to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the management committee, and a resolution to that effect shall be deemed to be passed under subparagraph (4)(a) or (5)(a), as the case may be, accordingly;
 - (b) where there is more than one candidate for the office of the chairman, vice-chairman, secretary or treasurer of the management committee—

- (i) the votes shall be given and counted in accordance with the simple or relative majority system of voting (otherwise known as the “first past the post” system of voting), under which the candidate to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the management committee is the candidate who obtains the greatest number of votes;
- (ii) if, after the counting is finished, the most successful candidates for the office of the chairman, vice-chairman, secretary or treasurer of the management committee have an equal number of votes, the person who presides at the meeting shall determine the result by drawing lots, and the candidate on whom the lot falls is to be appointed as the chairman, vice-chairman, secretary or treasurer, as the case may be, of the management committee. (*Added 5 of 2007 s. 27*)

- 6A. (1) Notwithstanding paragraphs 1 and 9, where the number of vacancies occurring in the offices of members of a management committee is more than 50% of the number of members of the management committee as decided under paragraph 2(1)(a) or, if that number of members has been changed under paragraph 1(3), 50% of the number of members so changed—
- (a) the chairman of the management committee may convene a general meeting of the corporation for the sole purpose of filling the vacancies in the management committee; or
 - (b) if one of the vacancies occurs in the office of the chairman of the management committee, the remaining members of the management committee may appoint a person, from amongst themselves, to convene a general meeting of the corporation for the sole purpose of filling the vacancies in the management committee.
- (2) For the purposes of filling the vacancies in a management committee under subparagraph (1)—

- (a) paragraph 6(3)(a), (4)(a), (5)(a), (6), (7) and (8) shall apply as it applies where the number of vacancies occurring in the offices of members of a management committee is not more than 50% of the number of members of the management committee as decided under paragraph 2(1)(a) or, if that number of members has been changed under paragraph 1(3), 50% of the number of members so changed; and
- (b) Schedule 3 (except paragraph 1 of that Schedule) shall, subject to the following modifications, apply as it applies to a general meeting of the corporation convened by a management committee—
 - (i) where the general meeting of the corporation is convened under subparagraph (1)(a) and one of the vacancies occurs in the office of the secretary of the management committee, the references to the secretary of the management committee in Schedule 3 shall be construed as references to the chairman of the management committee;
 - (ii) where the general meeting of the corporation is convened under subparagraph (1)(b), the references to the chairman of the management committee in Schedule 3 shall be construed as references to the person appointed under that subparagraph to convene the meeting;
 - (iii) where the general meeting of the corporation is convened under subparagraph (1)(b) and one of the vacancies occurs in the office of the secretary of the management committee, the references to the secretary of the management committee in Schedule 3 shall be construed as references to the person appointed under that subparagraph to convene the meeting.

(Added 5 of 2007 s. 27)

- 7. A management committee shall meet at least once in every period of 3 months.

(Replaced 27 of 1993 s. 39)

8. (1) A meeting of a management committee—
 - (a) may be convened at any time by the chairman or the vice-chairman (if any) in the absence of the chairman; and
 - (b) shall be convened by the secretary, at the request of any 2 members thereof, within 14 days of receiving such request, and held within 21 days of receiving such request. *(Amended 5 of 2007 s. 27)*
- (2) The secretary shall, at least 7 days before the date of the meeting of the management committee, give notice of the meeting to each member of the management committee and (if the treasurer of the management committee is not a member of the management committee) the treasurer of the management committee, and display the notice of meeting in a prominent place in the building. *(Replaced 5 of 2007 s. 27)*
- (2AA) The notice of meeting shall specify—
 - (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting. *(Added 5 of 2007 s. 27)*
- (2A) The notice of meeting may be given—
 - (a) by delivering it personally to the member of the management committee or (if the treasurer of the management committee is not a member of the management committee) the treasurer of the management committee;
 - (b) by sending it by post to the member or, if applicable, the treasurer, at his last known address; or
 - (c) by leaving it at the flat of the member or, if applicable, the treasurer or depositing it in the letter box for that flat. *(Replaced 5 of 2007 s. 27)*
- (3) *(Repealed 5 of 2007 s. 27)*

9. The quorum at a meeting of the management committee shall be 50% of the members of the management committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.

(Replaced 27 of 1993 s. 39)

10. (1) A meeting of a management committee shall be presided over by—
- (a) the chairman; or
 - (aa) in the absence of the chairman, the vice-chairman (if any); or *(Added 27 of 1993 s. 39)*
 - (b) in the absence of the chairman and the vice-chairman (if any), a member appointed as chairman for that meeting by the management committee.
- (2) All acts, matters or things authorized or required to be done by the management committee may be decided by a resolution passed by a majority of the votes of members of the management committee present at a meeting of the management committee.
- (3) At a meeting of the management committee, each member present shall have one vote on a question before the committee and if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
- (4) The secretary shall keep minutes of the proceedings at every meeting of a management committee.
- (4A) The minutes referred to in subparagraph (4) shall be certified by the person presiding over the meeting as containing a true record of the proceedings of the meeting of the management committee to which they relate. *(Added 27 of 1993 s. 39)*
- (4B) The secretary shall display the minutes certified in accordance with subparagraph (4A) in a prominent place in the building within 28 days of the date of the meeting of the management committee to which the minutes relate, and cause the minutes to remain so displayed for at least 7 consecutive days. *(Replaced 5 of 2007 s. 27)*

- (5) Subject to this Ordinance, the procedure at meetings of a management committee shall be as is determined by the management committee.

- 10A. (1) The minutes certified in accordance with paragraph 10(4A) shall be kept by the management committee for such period, being not less than 6 years, as the corporation may determine.
- (2) If the tenants' representative, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an owner or registered mortgagee requests in writing the corporation to supply him with copies of any minutes certified in accordance with paragraph 10(4A), the secretary shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.

(Added 5 of 2007 s. 27)

11. (1) Where an owner or other person, being a body corporate, is appointed as a member of a management committee under this Schedule that body corporate may appoint a director or other officer of that body or some other individual to act as its representative (***authorized representative*** (獲授權代表)) for the purposes of this Ordinance as if the authorized representative were a member of the management committee in his own right and paragraph 4(1), (2)(a), (b), (c), (d) and (f), (3), (4) and (5) shall apply to the authorized representative. *(Amended 5 of 2007 s. 27)*
- (2) If an authorized representative ceases to be a member of a management committee under paragraph 4(2)(a), (b), (c), (d) or (f) or (4), the body corporate may appoint another authorized representative in his place, and paragraph 4(1), (2) (a), (b), (c), (d) and (f), (3), (4) and (5) shall apply to that other authorized representative. *(Replaced 5 of 2007 s. 27)*

(Added 27 of 1993 s. 39)

12. In the event of any inconsistency between this Schedule and the terms of a deed of mutual covenant or any other agreement, this Schedule shall prevail.

(Added 27 of 1993 s. 39)
(Amended 27 of 1993 ss. 39 & 42)

Schedule 3

[ss. 8, 10, 27, 30, 34D & 42 &
Schs. 2 & 11]
(Amended 5 of 2007 s. 28)

Meetings and Procedure of Corporation

1. (1) The management committee shall convene—
 - (a) the first annual general meeting of a corporation not later than 15 months after the date of the registration of the corporation;
 - (b) an annual general meeting not earlier than 12 months, and not later than 15 months, after the date of the first or previous annual general meeting; *(Replaced 27 of 1993 s. 40)*
 - (c) a general meeting of the corporation at any time for such purposes as the management committee thinks fit.
- (2) The chairman of the management committee shall convene a general meeting of the corporation at the request of not less than 5% of the owners for the purposes specified by such owners within 14 days of receiving such request, and hold the general meeting within 45 days of receiving such request. *(Amended 5 of 2007 s. 28)*

2. (1) The secretary of the management committee shall, at least 14 days before the date of the meeting of the corporation, give notice of the meeting to each owner and the tenants' representative (if any). *(Replaced 5 of 2007 s. 28)*
- (1AA) The notice of meeting shall specify—

- (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting or other matters that are to be discussed at the meeting. *(Added 5 of 2007 s. 28)*
- (1A) The notice of meeting may be given— *(Amended 5 of 2007 s. 28)*
- (a) by delivering it personally to the owner or tenants' representative (if any); or
 - (b) by sending it by post to the owner or tenants' representative (if any) at his last known address; or
 - (c) by leaving it at the flat of the owner or tenants' representative (if any) or depositing it in the letter box for that flat. *(Replaced 5 of 2007 s. 28)*
- (Added 27 of 1993 s. 40. Amended 12 of 1998 s. 8; 5 of 2007 s. 28)*
- (2) The secretary shall also, at least 14 days before the date of the meeting of the corporation, display the notice of meeting in a prominent place in the building. *(Replaced 5 of 2007 s. 28)*

3. (1) A meeting of the corporation shall be presided over by—
- (a) the chairman of the management committee;
 - (b) in the absence of the chairman of the management committee, the vice-chairman (if any) of the management committee; or
 - (c) in the absence of the chairman and the vice-chairman (if any) of the management committee, a person appointed by the owners present at the meeting from amongst themselves. *(Replaced 5 of 2007 s. 28)*
- (2) *(Repealed 5 of 2007 s. 28)*
- (3) Subject to section 10(1) and paragraphs 5(2), (2B) and (2C), 6(3)(a), (4)(a), (5)(a), (7) and (8) and 6A(2)(a) of Schedule 2, all matters arising at a meeting of the corporation at which a quorum is present shall be decided by a majority of the votes of the owners voting either personally or by proxy. *(Amended 5 of 2007 s. 28)*
- (4) If there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.

- (5) (a) At any meeting of the corporation an owner shall, unless the deed of mutual covenant (if any) otherwise provides and subject to sub-paragraph (6), have one vote in respect of each share which he owns. *(Amended 8 of 1993 s. 2; 5 of 2007 s. 28)*
 - (b) Where 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast—
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under sub-sub-paragraph (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners. *(Replaced 5 of 2007 s. 28)*
 - (c) Where 2 or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that share in the register kept at the Land Registry shall be treated as valid. *(Added 5 of 2007 s. 28)*
 - (6) If a registered mortgagee is in possession of an owner's flat, such mortgagee shall, to the exclusion of the owner, be entitled to exercise the voting rights of such owner.
 - (7) No resolution passed at any meeting of the corporation shall have effect unless the same was set forth in the notice given in accordance with paragraph 2 or is ancillary or incidental to a resolution or other matter so set forth. *(Amended 5 of 2007 s. 28)*
 - (8) Nothing in sub-paragraph (7) shall preclude the passing of a resolution as amended at a meeting of a corporation.
4. (1) At a meeting of the corporation, an owner may cast a vote personally or by proxy. *(Amended 5 of 2007 s. 28)*
- (2) The instrument appointing a proxy shall be in the form set out in Form 2 in Schedule 1A, and— *(Amended 5 of 2007 s. 28)*
- (a) shall be signed by the owner; or

- (b) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf. *(Amended 5 of 2007 s. 28)*
- (3) The instrument appointing a proxy shall be lodged with the secretary of the management committee at least 48 hours before the time for the holding of the meeting. *(Replaced 5 of 2007 s. 28)*
- (4) The instrument appointing a proxy is valid only if it is made and lodged in accordance with subparagraphs (2) and (3). *(Added 5 of 2007 s. 28)*
- (5) Where an instrument appointing a proxy is lodged with the secretary of the management committee—
 - (a) the secretary shall—
 - (i) acknowledge receipt of the instrument by leaving a receipt at the flat of the owner who made the instrument, or depositing the receipt in the letter box for that flat, before the time for the holding of the meeting; and
 - (ii) display information of the owner's flat in a prominent place in the place of the meeting before the time for the holding of the meeting, and cause the information to remain so displayed until the conclusion of the meeting; and
 - (b) the chairman of the management committee or, if he is absent, the person who presides at the meeting, shall determine the validity of the instrument in accordance with subparagraph (4). *(Added 5 of 2007 s. 28)*
- (6) The management committee shall keep all the instruments for the appointment of proxies that have been lodged with the secretary of the management committee for a period of at least 12 months after the conclusion of the meeting. *(Added 5 of 2007 s. 28)*

5. (1) The quorum at a meeting of the corporation shall be — *(Amended 69 of 2000 s. 24)*
- (a) 20% of the owners, in the case of a meeting at which a resolution for the dissolution of the management committee under section 30 is proposed; or
- (b) 10% of the owners in any other case.
- (2) A proxy appointed by an owner to attend and vote on behalf of the owner at a meeting of the corporation shall, for the purposes of the meeting, be treated as being the owner present at the meeting. *(Replaced 5 of 2007 s. 28)*
- 5A. (1) Subject to subparagraph (2), where a meeting of the corporation convened under paragraph 1 is adjourned, paragraphs 2, 3, 4 and 5 shall apply to the adjourned meeting as they apply to the original meeting.
- (2) Where a meeting of the corporation convened under paragraph 1 is adjourned, a valid instrument appointing a proxy made for the purposes of the original meeting shall remain valid for the purposes of the adjourned meeting unless—
- (a) contrary intention is shown on the instrument;
- (b) the instrument is revoked; or
- (c) the instrument is replaced by a new instrument appointing a proxy.
- (Added 5 of 2007 s. 28)*
6. (1) The secretary of the management committee shall keep minutes of the proceedings at every general meeting of the corporation.
- (2) The minutes referred to in subparagraph (1) shall be certified by the person presiding over the meeting as containing a true record of the proceedings of the general meeting to which they relate.

- (3) The secretary shall display the minutes certified in accordance with subparagraph (2) in a prominent place in the building within 28 days of the date of the general meeting to which the minutes relate, and cause the minutes to remain so displayed for at least 7 consecutive days. *(Replaced 5 of 2007 s. 28)*

(Added 27 of 1993 s. 40)

- 6A.
 - (1) The minutes certified in accordance with paragraph 6(2) shall be kept by the management committee for such period, being not less than 6 years, as the corporation may determine.
 - (2) If the tenants' representative, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an owner or registered mortgagee requests in writing the corporation to supply him with copies of any minutes certified in accordance with paragraph 6(2), the secretary shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.

(Added 5 of 2007 s. 28)

7. The procedure at a general meeting shall be as is determined by the corporation.

(Added 27 of 1993 s. 40)

8. In the event of any inconsistency between this Schedule and the terms of a deed of mutual covenant or any other agreement, this Schedule shall prevail.

(Added 27 of 1993 s. 40)

9. *(Repealed 5 of 2007 s. 28)*

(Amended 27 of 1993 ss. 40 & 42)

Schedule 5

[ss. 21 & 42]
(Amended 5 of 2007 s. 30)

Annual Budget

1. The amount to be determined by the management committee under section 21(1) shall be based upon a budget prepared by the management committee for the period specified by the management committee under that subsection.
2. The budget referred to in paragraph 1 shall set out the sums which in the opinion of the management committee will be reasonably necessary to meet payments of the kind specified in section 20(1) and shall, if a contingency fund is established under section 20(2), set out the sums which in the opinion of the management committee will be reasonably necessary to meet payments of the kind specified in that subsection.
3. A revised budget may be prepared if the management committee is of the opinion that any sum set out in a budget in respect of which the revised budget is to be prepared is insufficient to meet the proposed expenditure which that sum was intended to meet.
4. If the tenants' representative, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an owner or registered mortgagee requests in writing the corporation to supply him with copies of any budget referred to in this Schedule, the treasurer shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.
5. The treasurer shall, if requested by the Authority or an authorized officer and without raising any charge, supply the copies referred to in paragraph 4 to the Authority or that officer.

(Added 27 of 1993 s. 41)

Schedule 6

[ss. 27 & 42 & Sch. 11]

Accounts

1. All bills, invoices, vouchers, receipts and other documents referred to in the books or records of account and other records maintained under section 27(1) shall be kept by the management committee for such period, being not less than 6 years, as the corporation may determine.

1A. The management committee shall—

(a) at the request of not less than 5% of the owners, permit those owners or any person appointed by those owners to inspect any bills, invoices, vouchers, receipts or other documents referred to in paragraph 1 at any reasonable time; and

(b) permit any person authorized by the court to inspect any bills, invoices, vouchers, receipts or other documents referred to in paragraph 1 at any reasonable time.

(Added 5 of 2007 s. 31)

1B. For the purposes of paragraph 1A(b), an owner may apply to the court for an order authorizing the owner, or any other person named in the application, to inspect any bills, invoices, vouchers, receipts or other documents referred to in paragraph 1.

(Added 5 of 2007 s. 31)

1C. The court may make an order under paragraph 1B only if it is satisfied that—

(a) the application is made in good faith; and

(b) the inspection applied for is for a proper purpose.

(Added 5 of 2007 s. 31)

2. Within 1 month after each consecutive period of 3 months, or such shorter period as the management committee may select, the treasurer shall prepare a summary of the income and expenditure of the corporation in respect of that period, display a copy of the summary in a prominent place in the building, and cause it to remain so displayed for at least 7 consecutive days.

(Amended 5 of 2007 s. 31)

3. If the tenants' representative, an owner, a registered mortgagee or any person duly authorized in writing in that behalf by an owner or registered mortgagee requests in writing the corporation to supply him with copies of—
 - (a) the financial statements and, if applicable, the accountant's report prepared under section 27; or (*Amended 5 of 2007 s. 31*)
 - (b) a summary of the income and expenditure of the corporation prepared under paragraph 2,the treasurer shall, on the payment of such reasonable copying charge as the management committee may determine, supply such copies to that person.
4. The treasurer shall, if requested by the Authority or an authorized officer and without raising any charge, supply the copies referred to in paragraph 3 to the Authority or that officer.

(Added 27 of 1993 s. 41)

Schedule 7

[ss. 34D, 34E, 34J, 40D & 42]
*(Amended 69 of 2000 s. 25; 5
of 2007 s. 32)*

Mandatory Terms in Deeds of Mutual Covenant

1. **Determination of total amount of management expenses**
 - (1) Subject to subparagraphs (3), (5), (6) and (8), the total amount of management expenses payable by the owners during any period of 12 months adopted by the manager of a building as the financial year in respect of the management of that building shall be the total proposed expenditure during that year as specified by the manager in accordance with subparagraph (2).
 - (2) In respect of each financial year, the manager shall—
 - (a) prepare a draft budget setting out the proposed expenditure during the financial year;

- (b) send a copy of the draft budget to the owners' committee or, where there is no owners' committee, display a copy of the draft budget in a prominent place in the building, and cause it to remain so displayed for at least 7 consecutive days; (*Amended 5 of 2007 s. 32*)
 - (c) send or display, as the case may be, with the copy of the draft budget a notice inviting each owner to send his comments on the draft budget to the manager within a period of 14 days from the date the draft budget was sent or first displayed;
 - (d) after the end of that period, prepare a budget specifying the total proposed expenditure during the financial year;
 - (e) send a copy of the budget to the owners' committee or, where there is no owners' committee, display a copy of the budget in a prominent place in the building, and cause it to remain so displayed for at least 7 consecutive days. (*Amended 5 of 2007 s. 32*)
- (3) Where, in respect of a financial year, the manager has not complied with subparagraph (2) before the start of that financial year, the total amount of the management expenses for that year shall—
- (a) until he has so complied, be deemed to be the same as the total amount of management expenses (if any) for the previous financial year;
 - (b) when he has so complied, be the total proposed expenditure specified in the budget for that financial year, and the amount that the owners shall contribute towards the management expenses shall be calculated and adjusted accordingly.
- (4) Where a budget has been sent or displayed in accordance with subparagraph (2)(e) and the manager wishes to revise it, he shall follow the same procedures in respect of the revised budget as apply to the draft budget and budget by virtue of subparagraph (2).
- (5) Where a revised budget is sent or displayed in accordance with subparagraph (4), the total amount of the management expenses for that financial year shall be the total expenditure or proposed expenditure specified in the revised budget and the amount that owners shall contribute towards the management expenses shall be calculated and adjusted accordingly.

- (6) If there is a corporation and, within a period of 1 month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with subparagraph (2) or (4), the corporation decides, by a resolution of the owners, to reject the budget or revised budget, as the case may be, the total amount of management expenses for the financial year shall, until another budget or revised budget is sent or displayed in accordance with subparagraph (2) or (4) and is not so rejected under this subparagraph, be deemed to be the same as the total amount of management expenses (if any) for the previous financial year, together with an amount not exceeding 10% of that total amount as the manager may determine.
- (7) If any owner requests in writing the manager to supply him with a copy of any draft budget, budget or revised budget, the manager shall, on payment of a reasonable copying charge, supply a copy to that person.
- (8) For the purposes of this paragraph, *expenditure* (開支) includes all costs, charges and expenses to be borne by the owners, including the remuneration of the manager.

2. **Keeping of accounts**

- (1) The manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years.
- (2) Within 1 month after each consecutive period of 3 months, or such shorter period as the manager may select, the manager shall prepare a summary of income and expenditure and a balance sheet in respect of that period, display a copy of the summary and balance sheet in a prominent place in the building, and cause it to remain so displayed for at least 7 consecutive days. (*Amended 5 of 2007 s. 32*)
- (3) Within 2 months after the end of each financial year, the manager shall prepare an income and expenditure account and balance sheet for that year, display a copy of the income and expenditure account and balance sheet in a prominent place in the building, and cause it to remain so displayed for at least 7 consecutive days. (*Amended 5 of 2007 s. 32*)

- (4) Each income and expenditure account and balance sheet shall include details of the special fund required by paragraph 4 and an estimate of the time when there will be a need to draw on that fund, and the amount of money that will be then needed.
- (5) The manager shall—
 - (a) permit any owner, at any reasonable time, to inspect the books or records of account and any income and expenditure account or balance sheet; and
 - (b) on payment of a reasonable copying charge, supply any owner with a copy of any record or document requested by him.
- (6) If there is a corporation and the corporation decides, by a resolution of the owners, that any income and expenditure account and balance sheet should be audited by an accountant or by some other independent auditor as may be specified in that resolution, the manager shall without delay arrange for such an audit to be carried out by that person and— *(Amended 5 of 2007 s. 32)*
 - (a) permit any owner, at any reasonable time, to inspect the audited income and expenditure account and balance sheet and the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet; and
 - (b) on payment of a reasonable copying charge, supply any owner with a copy of the audited income and expenditure account and balance sheet, or the report made by the accountant or auditor in respect of the income and expenditure account and balance sheet, or both, as requested by the owner. *(Amended 5 of 2007 s. 32)*
- (7) The financial year may not be changed more than once in every 5 years, unless that change is previously approved by a resolution of the owners' committee (if any).

3. Manager to open and maintain bank account

(Amended 5 of 2007 s. 32)

- (1) The manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the building. *(Amended 5 of 2007 s. 32)*

- (1A) Without prejudice to the generality of subparagraph (1), if there is a corporation, the manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the corporation in respect of the management of the building. *(Added 5 of 2007 s. 32)*
- (1B) The manager shall display a document showing evidence of any account opened and maintained under subparagraph (1) or (1A) in a prominent place in the building. *(Added 5 of 2007 s. 32)*
- (2) Subject to subparagraphs (3) and (4), the manager shall without delay pay all money received by him in respect of the management of the building into the account opened and maintained under subparagraph (1) or, if there is a corporation, the account or accounts opened and maintained under subparagraph (1A). *(Amended 5 of 2007 s. 32)*
- (3) Subject to subparagraph (4), the manager may, out of money received by him in respect of the management of the building, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the owners' committee (if any).
- (4) The retention of a reasonable amount of money under subparagraph (3) or the payment of that amount into a current account in accordance with that subparagraph and any other arrangement for dealing with money received by the manager shall be subject to such conditions as may be approved by a resolution of the owners' committee (if any).
- (5) Any reference in this paragraph to an account is a reference to an account opened with a bank within the meaning of section 2 of the Banking Ordinance (Cap. 155), the title of which refers to the management of the building. *(Amended 49 of 1995 s. 53)*

4. Special fund

- (1) The manager shall establish and maintain a special fund to provide for expenditure of a kind not expected by him to be incurred annually.

- (2) If there is a corporation, the corporation shall determine, by a resolution of the owners, the amount to be contributed to the special fund by the owners in any financial year, and the time when those contributions shall be payable.
- (3) The manager shall open and maintain at a bank within the meaning of section 2 of the Banking Ordinance (Cap. 155) an interest-bearing account, the title of which shall refer to the special fund for the building, and shall use that account exclusively for the purpose referred to in subparagraph (1). *(Amended 49 of 1995 s. 53; 5 of 2007 s. 32)*
- (3A) Without prejudice to the generality of subparagraph (3), if there is a corporation, the manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the corporation in respect of the special fund. *(Added 5 of 2007 s. 32)*
- (3B) The manager shall display a document showing evidence of any account opened and maintained under subparagraph (3) or (3A) in a prominent place in the building. *(Added 5 of 2007 s. 32)*
- (4) The manager shall without delay pay all money received by him in respect of the special fund into the account opened and maintained under subparagraph (3) or, if there is a corporation, the account or accounts opened and maintained under subparagraph (3A). *(Amended 5 of 2007 s. 32)*
- (5) Except in a situation considered by the manager to be an emergency, no money shall be paid out of the special fund unless it is for a purpose approved by a resolution of the owners' committee (if any).

5. Contracts entered into by manager

- (1) Subject to subparagraphs (2) and (3), the manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed the sum of \$200,000 or such other sum in substitution therefor as the Authority may specify by notice in the Gazette unless—
 - (a) the supplies, goods or services are procured by invitation to tender; and

- (b) the procurement complies with the Code of Practice referred to in section 20A(1).
- (2) Subject to subparagraph (3), the manager shall not enter into any contract for the procurement of any supplies, goods or services the value of which exceeds or is likely to exceed a sum which is equivalent to 20% of the annual budget or such other percentage in substitution therefor as the Authority may specify by notice in the Gazette unless—
 - (a) if there is a corporation—
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in section 20A(1); and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the owners passed at a general meeting of the corporation, and the contract is entered into with the successful tenderer; or
 - (b) if there is no corporation—
 - (i) the supplies, goods or services are procured by invitation to tender;
 - (ii) the procurement complies with the Code of Practice referred to in section 20A(1); and
 - (iii) whether a tender submitted for the purpose is accepted or not is decided by a resolution of the owners passed at a meeting of owners convened and conducted in accordance with the deed of mutual covenant, and the contract is entered into with the successful tenderer.
- (3) Subparagraphs (1) and (2) do not apply to any supplies, goods or services which but for this subparagraph would be required to be procured by invitation to tender (referred to in this subparagraph as *relevant supplies, goods or services*)—
 - (a) where there is a corporation, if—
 - (i) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the corporation by a supplier; and

- (ii) the corporation decides by a resolution of the owners passed at a general meeting of the corporation that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender; or
- (b) where there is no corporation, if—
 - (i) the relevant supplies, goods or services are of the same type as any supplies, goods or services which are for the time being supplied to the owners by a supplier; and
 - (ii) the owners decide by a resolution of the owners passed at a meeting of owners convened and conducted in accordance with the deed of mutual covenant that the relevant supplies, goods or services shall be procured from that supplier on such terms and conditions as specified in the resolution, instead of by invitation to tender.

(Replaced 5 of 2007 s. 32)

6. Resignation of manager

- (1) No resignation of the manager shall take effect unless he has previously given not less than 3 months' notice in writing of his intention to resign—
 - (a) by sending such a notice to the owners' committee; or
 - (b) where there is no owners' committee, by giving such a notice to each of the owners and by displaying such a notice in a prominent place in the building.
- (2) The notice referred to in subparagraph (1)(b) may be given— *(Amended 5 of 2007 s. 32)*
 - (a) by delivering it personally to the owner; or
 - (b) by sending it by post to the owner at his last known address; or
 - (c) by leaving it at the owner's flat or depositing it in the letter box for that flat. *(Amended 12 of 1998 s. 9)*

(Amended 5 of 2007 s. 32)

7. Termination of manager's appointment by owners' corporation

- (1) Subject to subparagraph (5A), at a general meeting convened for the purpose, a corporation may, by a resolution—
 - (a) passed by a majority of the votes of the owners voting either personally or by proxy; and
 - (b) supported by the owners of not less than 50% of the shares in aggregate,
terminate by notice the DMC manager's appointment without compensation. *(Replaced 5 of 2007 s. 32)*
- (2) A resolution under subparagraph (1) shall have effect only if—
 - (a) the notice of termination of appointment is in writing;
 - (b) provision is made in the resolution for a period of not less than 3 months' notice or, in lieu of notice, provision is made for an agreement to be made with the DMC manager for the payment to him of a sum equal to the amount of remuneration which would have accrued to him during that period; *(Replaced 69 of 2000 s. 25. Amended E.R. 2 of 2018)*
 - (c) the notice is accompanied by a copy of the resolution terminating the DMC manager's appointment; and
 - (d) the notice and the copy of the resolution is given to the DMC manager within 14 days after the date of the meeting.
- (3) The notice and the copy of the resolution referred to in subparagraph (2)(d) may be given— *(Amended 5 of 2007 s. 32)*
 - (a) by delivering them personally to the DMC manager; or
 - (b) by sending them by post to the DMC manager at his last known address.
 - (c) *(Repealed 5 of 2007 s. 32)*
- (4)-(5) *(Repealed 5 of 2007 s. 32)*
- (5A) For the purposes of subparagraph (1)—
 - (a) only the owners of shares who pay or who are liable to pay the management expenses relating to those shares shall be entitled to vote;

(b) the reference in subparagraph (1)(b) to *the owners of not less than 50% of the shares in aggregate* shall be construed as a reference to the owners of not less than 50% of the shares in aggregate who are entitled to vote. *(Added 69 of 2000 s. 25. Amended 5 of 2007 s. 69)*

(5B) If a contract for the appointment of a manager other than a DMC manager contains no provision for the termination of the manager's appointment, subparagraphs (1), (2), (3) and (5A) apply to the termination of the manager's appointment as they apply to the termination of a DMC manager's appointment. *(Added 5 of 2007 s. 32)*

(5C) Subparagraph (5B) operates without prejudice to any other power there may be in a contract for the appointment of a manager other than a DMC manager to terminate the appointment of the manager. *(Added 5 of 2007 s. 32)*

(6) If a notice to terminate a manager's appointment is given under this paragraph—

(a) no appointment of a new manager shall take effect unless the appointment is approved by a resolution of the owners' committee (if any); and

(b) if no such appointment is approved under subparagraph (a) by the time the notice expires, the corporation may appoint another manager and, if it does so, the corporation shall have exclusive power to appoint any subsequent manager.

(7) If any person has given an undertaking in writing to, or has entered into an agreement with, the Government to manage or be responsible for the management of the building, and the corporation has appointed a manager under subparagraph (6) (b), the corporation shall be deemed to have given to that person an instrument of indemnity under which the corporation shall be liable to indemnify that person in respect of any act or omission by the manager appointed under that subparagraph that may otherwise render that person liable for a breach of that undertaking or agreement.

(8) This paragraph is subject to any notice relating to the building that may be published by the Authority under section 34E(4) but does not apply to any single manager referred to in that section.

(Amended 5 of 2007 s. 32)

8. Obligations after manager's appointment ends

- (1) Subject to subparagraph (2), if the manager's appointment ends for any reason, he shall, as soon as practicable after his appointment ends, and in any event within 14 days of the date his appointment ends, deliver to the owners' committee (if any) or the manager appointed in his place any movable property in respect of the control, management and administration of the building that is under his control or in his custody or possession, and that belongs to the corporation (if any) or the owners. *(Added 5 of 2007 s. 32)*
- (2) If the manager's appointment ends for any reason, he shall within 2 months of the date his appointment ends — *(Amended 5 of 2007 s. 32)*
 - (a) prepare—
 - (i) an income and expenditure account for the period beginning with the commencement of the financial year in which his appointment ends and ending on the date his appointment ended; and
 - (ii) a balance sheet as at the date his appointment ended,

and shall arrange for that account and balance sheet to be audited by an accountant or by some other independent auditor specified in a resolution of the owners' committee (if any) or, in the absence of any such specification, by such accountant or other independent auditor as may be chosen by the manager; and
 - (b) deliver to the owners' committee (if any) or the manager appointed in his place any books or records of accounts, papers, documents and other records which are required for the purposes of sub-subparagraph (a) and have not been delivered under subparagraph (1). *(Replaced 5 of 2007 s. 32)*

9. Communication among owners

The manager shall consult (either generally or in any particular case) the corporation at a general meeting of the corporation and adopt the approach decided by the corporation on the channels of communication among owners on any business relating to the management of the building.

(Added 5 of 2007 s. 32)

Schedule 8

[ss. 34D, 34F & 42 & Sch. 11]
(Amended 5 of 2007 s. 33)

Terms Added if Consistent with Deed of Mutual Covenant

Meetings of owners' committee

1. A meeting of the owners' committee may be convened at any time by the chairman or any 2 members of the owners' committee.
2. The person or persons convening the meeting of the owners' committee shall, at least 7 days before the date of the meeting, give notice of the meeting to each member of the owners' committee.

(Replaced 5 of 2007 s. 33)

- 2A. The notice of meeting referred to in paragraph 2 shall specify—
 - (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting.

(Added 5 of 2007 s. 33)

3. The notice of meeting referred to in paragraph 2 may be given—

(Amended 5 of 2007 s. 33)

 - (a) by delivering it personally to the member of the owners' committee; or
 - (b) by sending it by post to the member of the owners' committee at his last known address; or
 - (c) by leaving it at the member's flat or depositing it in the letter box for that flat. (Amended 12 of 1998 s. 10)

(Amended 5 of 2007 s. 33)

4. The quorum at a meeting of the owners' committee shall be 50% of the members of the owners' committee (rounded up to the nearest whole number) or 3 such members, whichever is the greater.

5. A meeting of the owners' committee shall be presided over by—
 - (a) the chairman; or
 - (b) in the absence of the chairman, a member of the owners' committee appointed as chairman for that meeting.
6. At a meeting of the owners' committee, each member present shall have 1 vote on a question before the committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
7. The procedure at meetings of the owners' committee shall be as is determined by the owners' committee.

Meetings of owners

8. A meeting of owners may be convened by—
 - (a) the owners' committee;
 - (b) the manager; or
 - (c) an owner appointed to convene such a meeting by the owners of not less than 5% of the shares in aggregate.

(Replaced 5 of 2007 s. 33)
9. The person convening the meeting of owners shall, at least 14 days before the date of the meeting, give notice of the meeting to each owner.

(Replaced 5 of 2007 s. 33)
- 9A. The notice of meeting referred to in paragraph 9 shall specify—
 - (a) the date, time and place of the meeting; and
 - (b) the resolutions (if any) that are to be proposed at the meeting.

(Added 5 of 2007 s. 33)
10. The notice of meeting referred to in paragraph 9 may be given— *(Amended 5 of 2007 s. 33)*
 - (a) by delivering it personally to the owner;
 - (b) by sending it by post to the owner at his last known address; or

- (c) by leaving it at the owner's flat or depositing it in the letter box for that flat. *(Amended 12 of 1998 s. 10)*

(Amended 5 of 2007 s. 33)

The quorum at a meeting of owners shall be 10% of the owners.

11.

11A. For the purposes of paragraph 11, the reference in that paragraph to "10% of the owners" shall—

- (a) be construed as a reference to 10% of the number of persons who are owners without regard to their ownership of any particular percentage of the total number of shares into which the building is divided; and
- (b) not be construed as the owners of 10% of the shares in aggregate. *(Amended 5 of 2007 s. 70)*

(Added 69 of 2000 s. 26)

12. A meeting of owners shall be presided over by the chairman of the owners' committee or, if the meeting is convened under paragraph 8(b) or (c), the person convening the meeting.

(Replaced 5 of 2007 s. 33)

13. At a meeting of owners—

- (a) an owner shall have one vote in respect of each share he owns; *(Replaced 5 of 2007 s. 33)*
- (b) an owner may cast a vote personally or by proxy; *(Replaced 5 of 2007 s. 33)*
- (c) where 2 or more persons are the co-owners of a share, the vote in respect of the share may be cast—
 - (i) by a proxy jointly appointed by the co-owners;
 - (ii) by a person appointed by the co-owners from amongst themselves; or
 - (iii) if no appointment is made under sub-subparagraph (i) or (ii), either by one of the co-owners personally or by a proxy appointed by one of the co-owners; *(Replaced 5 of 2007 s. 33)*

- (ca) where 2 or more persons are the co-owners of a share and more than one of the co-owners seeks to cast a vote in respect of the share, only the vote that is cast, whether personally or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that share in the register kept at the Land Registry shall be treated as valid; and (*Added 5 of 2007 s. 33*)
 - (d) if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
14. (1) An instrument appointing a proxy shall be in the form set out in Form 1 in Schedule 1A, and—
- (a) shall be signed by the owner; or
 - (b) if the owner is a body corporate, shall, notwithstanding anything to the contrary in its constitution, be impressed with the seal or chop of the body corporate and signed by a person authorized by the body corporate in that behalf.
- (2) The instrument appointing a proxy shall be lodged with the chairman of the owners' committee or, if the meeting is convened under paragraph 8(b) or (c), the person convening the meeting at least 48 hours before the time for the holding of the meeting.
- (3) A proxy appointed by an owner to attend and vote on behalf of the owner shall, for the purposes of the meeting, be treated as being the owner present at the meeting.
- (Replaced 5 of 2007 s. 33)*
15. The procedure at a meeting of owners shall be as is determined by the owners.
- (Added 27 of 1993 s. 41)*

Schedule 10

[ss. 42 & 45]
(Amended 5 of 2007 s. 35)

Hearing and Determination of Specified Proceedings by Tribunal

1. Proceedings relating to the interpretation and enforcement of the provisions of this Ordinance.
2. Proceedings relating to the interpretation and enforcement of the terms and provisions of a deed of mutual covenant, including such terms or provisions impliedly incorporated into a deed of mutual covenant under Part VIA.
3. Proceedings relating to the use, occupation, enjoyment, possession or ownership of the common parts or any other part of a building in which the owners have a common interest.
4. Proceedings relating to the calculation or apportionment of—
 - (a) any sums payable or purported to be payable under a deed of mutual covenant (if any);
 - (b) the funds and contributions referred to in sections 20 and 21;
 - (c) any management expenses or charges (howsoever named);
 - (d) any other outgoings, payments, debts or liabilities due or liable under this Ordinance or in accordance with the terms and provisions of an instrument which is registered in the Land Registry including a deed of mutual covenant (if any).
5. Proceedings relating to any question of law concerning the powers and duties of—
 - (a) a corporation;
 - (b) a management committee, and of the chairman, secretary and treasurer thereof;
 - (c) a manager within the meaning of section 34D(1);
 - (d) an owners' committee within the meaning of that section;
 - (e) the tenants' representative,including such powers and duties (if any) of a financial, pecuniary or fiduciary nature.

6. Proceedings relating to any question of law concerning ownership, occupation or possession of the whole or any part of the building, including ownership or an undivided share in a building or in land on which there is a building.
7. Without prejudice to paragraph 6 and subject to section 45(3), proceedings relating to any question of law concerning the extent and applicability or otherwise of any contractual or proprietary right enjoyed by owners and occupiers or otherwise referred to in the terms and provisions of an instrument which is registered in the Land Registry including a deed of mutual covenant (if any).
8. Proceedings relating to any question of law concerning any breach or alleged breach of any covenant, term or condition specified in an instrument which is registered in the Land Registry including a deed of mutual covenant (if any).
9. Proceedings relating to the enforcement of any contractual or proprietary right referred to in paragraph 7 or any covenant, term or condition referred to in paragraph 8, as the case may be, whether by way of specific performance, injunction, declaration, damages or otherwise.

(Added 27 of 1993 s. 41)

Schedule 11

[ss. 5B & 42]

(Amended 5 of 2007 s. 36)

Enumeration of Owners

For the purposes of section 5B—

- (a) sections 3(8), 3A(3F), 4(10) and 40C(9) and paragraphs 1(2) and 5 of Schedule 3, paragraph 1A of Schedule 6 and paragraph 11 of Schedule 8 are specified; *(Replaced 5 of 2007 s. 36)*
- (b) the enumeration of the percentage of owners mentioned in the provisions specified in paragraph (a) shall be computed as follows—

Form of ownership	Illustration	To be counted as
1. Multiple ownership of 1 flat	1 flat with 3 co-owners	1 owner
2. 1 owner owning more than 1 flat	1 owner owning 35 flats	1 owner
3. 1 person or more than 1 holding proxies from more than 1 owner	(a) 1 person holding proxies from 100 owners	Voting rights equal to the number of valid proxies held.
	(b) 35 persons holding proxies from 100 owners in aggregate	In the cases as illustrated, 100 owners.

(Schedule 11 added 69 of 2000 s. 27)

Implications of the Proposal

Financial and civil service implications

To ensure effective implementation of the legislative amendment proposals, follow-up work will be required after passage of the Bill, including preparation of educational and publicity materials, updating the administrative guidelines, providing support services to OCs and owners, etc. The Home Affairs Department will absorb the workload and expenditure arising from the proposal from within its own resources while keeping in view the need to seek additional resources in accordance with the established mechanism where necessary.

Economic Implications

2. The BMO facilitates the management of private multi-storey buildings. The legislative amendment proposals seek to require the engagement of more owners in important procurement decisions and improve the transparency and accountability of OCs. While the proposed legislative amendments contribute to proper building management, the proposals should have no significant economic implications for the property market as a whole.

Sustainability Implications

3. As most people in Hong Kong reside in multi-storey buildings, effective building management will contribute towards a pleasant and sustainable living environment in the society at large.