

LEGCO QUESTION NO. 14

(Written Reply)

Asked by : Hon Howard YOUNG

Date of meeting : 18 January 2006

Replied by : Secretary for Economic
Development and Labour

Question

Recently, I have received complaints from travel agents that an outbound tour that a local group joined was organized by a counterfeit travel agent, and the receipts issued by that travel agent to the tour members were not franked. They would not be protected by the Travel Industry Compensation Fund and the Package Tour Accident Contingency Fund Scheme in the event of accidents, and the reputation of the travel agent being passed off would be damaged. Regarding unlicensed or counterfeit travel agents, will the Government inform this Council:

- (a) whether the authorities have found unlicensed travel agents or outbound tours not organized by licensed travel agents in the past three years;
- (b) of the measures to step up the efforts to combat unlicensed or counterfeit travel agents, and whether it will consider providing a telephone hotline for reporting such travel agents; and
- (c) how it ensures that the tours joined by consumers are organized by licensed travel agents, and whether it will step up publicity on the points to note for outbound travellers?

Reply

Madam President,

- (a) In the past three years, the Travel Agents Registry (TAR) has received a total of 179 reports on suspected cases of operating unlicensed travel

business. Of which, 149 cases were related to outbound travel business and the remaining concerned with inbound travel business.

Upon receipt of such reports, the TAR will take follow up action immediately. If a prima facie case can be established, the TAR will refer the case to the Police for investigation. Among the 179 suspected cases of operating unlicensed travel business, 87 cases were referred to the Police based on prima facie evidence. The Police had taken prosecution action against seven suspected unlicensed travel agents and all were successfully convicted. Another 30 cases are still under investigation.

- (b)&(c) In accordance with section 9(a) of the Travel Agents Ordinance (TAO), no person shall carry on the business as a travel agent without a licence. Section 48(1)(a) of the TAO further provides that any person who contravenes section 9 of the Ordinance commits an offence and is liable on conviction upon indictment to a fine of \$100,000 and to imprisonment for 2 years, or on summary conviction to a fine of \$10,000 and to imprisonment for 6 months.

To combat unlicensed travel agent activities, the TAR, together with the Police, the Immigration Department and the Travel Industry Council of Hong Kong (TIC) conduct joint operations from time to time. Four such operations were conducted in August and September 2005 but no unlicensed travel agents were found. The TIC also checks the advertisements of travel agents regularly to monitor if there are activities of unlicensed travel agents.

In accordance with section 14(c) of the subsidiary legislation of the TAO, a licensed travel agent is required to display its licence at the travel agent's office for reference by consumers. In addition, under section 47(1) of the TAO, a licensed travel agent is also required to state clearly its licence number on any advertisements relating to the provision of travel service. At present, the public can report suspected cases of operating unlicensed travel business to the TAR and the TIC through various channels. Other than making enquiries or reporting to the TAR or the TIC in person, the public can do so through the two offices' telephone hotlines or email services. Information on licensed travel agents has all been uploaded onto the

websites of the TAR and the TIC to facilitate the public to ascertain whether a travel agent is licensed.

The TAR and the TIC remind the public through various channels, such as Announcements in the Public Interest, websites and printed materials, of the issues to note when travelling abroad, e.g. whether the travel agent that they patronise is licensed and that receipts are franked with the charging of levy so that they will be entitled to the protection of the Travel Industry Compensation Fund. The two offices will also publicise their hotlines and email addresses. In addition, the Consumer Council disseminates information through its website and publications regarding matters consumers should pay attention to when travelling abroad.

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