

Building Management (Amendment) Bill 2023

Contents

Clause	Page
1.	Short title and commencement C3587
2.	Building Management Ordinance amended..... C3589
3.	Section 2 amended (interpretation)..... C3589
4.	Sections 2C, 2D and 2E added C3601
2C.	References to type 1 high-value procurement and type 2 high-value procurement..... C3603
2D.	References to large-scale maintenance procurement C3611
2E.	Form of documents C3611
5.	Section 3 amended (appointment of management committee) C3617
6.	Section 3A amended (appointment of management committee after application to the Authority) C3619
7.	Section 4 amended (appointment of management committee after application to tribunal) C3619
8.	Sections 4A and 4B added C3621
4A.	Keeping of proxy instruments for meetings of owners convened under section 3, 3A or 4..... C3621
4B.	Offences relating to section 4A C3623

Clause	Page
9.	Section 8 amended (incorporation)..... C3625
10.	Section 11 amended (display of copy certificate of registration, etc.) C3625
11.	Part IV, Division 1 heading added C3627
Division 1—General	
12.	Section 18 amended (duties and powers of corporation)..... C3627
13.	Part IV, Division 2 heading added C3629
Division 2—Funds	
14.	Section 20 amended (establishment of funds)..... C3629
15.	Section 20A repealed (supplies, goods and services)..... C3629
16.	Section 21 amended (contributions to funds) C3629
17.	Part IV, Division 3 heading added C3631
Division 3—Legal Proceedings	
18.	Part IV, Division 4 heading added C3631
Division 4—Accounts and Insurances	
19.	Section 27 substituted C3631
27.	Accounts of corporation: duties of management committee..... C3631
20.	Sections 27A and 27B added C3639
27A.	Accounts of corporation: offences C3639
27B.	Accounts of corporation: other supplementary provisions C3641

Clause	Page
21.	Section 28 amended (matters regarding insurance)..... C3641
22.	Part IV, Division 5 added C3645

Division 5—Procurement of Supplies, Goods or Services

Subdivision 1—General Requirements

28A.	Compliance with Code of Practice C3647
28B.	Keeping of procurement documents C3647
28C.	Permitting inspection of procurement documents C3649

Subdivision 2—Specific Requirements for Certain Types of Procurement

28D.	Type 1 high-value procurement..... C3653
28E.	Type 2 high-value procurement..... C3655
28F.	Large-scale maintenance procurement C3657
28G.	Subdivision 1 not limited C3659

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

28H.	Interpretation (Subdivision 3) C3659
28I.	Contracts voidable for non-compliance of essential requirements subject to court orders..... C3663
28J.	Court orders and directions for contracts C3663
28K.	Personal liability not affected..... C3667

Clause	Page
--------	------

Subdivision 4—Miscellaneous

28L.	Power to amend monetary amounts specified in paragraph 5 of Schedule 6A	C3669
28M.	Specification of form of declarations for Schedule 6B.....	C3669
23.	Part IV, Division 6 heading added.....	C3669

Division 6—Role of Management Committee

24.	Section 34D amended (interpretation).....	C3669
25.	Section 34EA added	C3671
34EA.	Specification of form of declarations or notices for mandatory DMC terms.....	C3671
26.	Section 34F amended (terms added if consistent with deed of mutual covenant).....	C3671
27.	Section 36A added.....	C3671
36A.	Duty to keep certain documents concerning meetings	C3673
28.	Section 40B amended (appointment of building management agent by order of Authority).....	C3677
29.	Section 40C amended (appointment of management committee or building management agent by order of tribunal).....	C3677
30.	Section 40CA added	C3679

Clause	Page
40CA. Offences for contravening section 40C(12) or (13).....	C3681
31. Section 42 amended (power to amend Schedules)	C3683
32. Section 44 amended (Codes of Practice)	C3683
33. Sections 44A and 44B added	C3683
44A. Legal professional privilege.....	C3685
44B. Transitional provisions for Building Management (Amendment) Ordinance 2023	C3685
34. Section 45 amended (jurisdiction of tribunal in relation to building management)	C3687
35. Schedule 2 amended (composition and procedure of management committee).....	C3687
36. Schedule 3 amended (meetings and procedure of corporation)	C3699
37. Schedule 5 amended (annual budget)	C3715
38. Schedule 6 amended (accounts)	C3719
39. Schedules 6A, 6B and 6C added.....	C3723
Schedule 6A Requirements for Tendering Specified for Subdivision 2 of Division 5 of Part IV	C3725
Schedule 6B Requirements Relating to Declarations Specified for Subdivision 2 of Division 5 of Part IV	C3733

Clause	Page
	Schedule 6C Specific Procedure at General Meetings of Corporations Concerning Large-scale Maintenance Procurement C3773
40.	Schedule 7 amended (mandatory terms in deeds of mutual covenant) C3781
41.	Schedule 8 amended (terms added if consistent with deed of mutual covenant)..... C3855
42.	Schedule 10 amended (hearing and determination of specified proceedings by tribunal)..... C3857
43.	Schedule 11 amended (enumeration of owners)..... C3857

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.

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- (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.
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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.

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- (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 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).
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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-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 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 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.