

Industry	Option 1	Option 2	Option 3	Option 4
Regulatory regime	Retain the two-tier regulatory regime	Retain the two-tier regulatory regime but rationalise the division of work	An independent statutory body as the regulatory authority	A Government department as the regulatory authority
Regulation on Other Functions and Responsibilities				
Regulatory work	<p>TAR is responsible for licensing of travel agents</p> <p>TIC is responsible for trade self-regulation, including regulation of travel agents and administration of the Tourist Guide Accreditation System and Outbound Tour Escort Accreditation System</p>	<p>TAR is responsible for licensing of travel agents and providing support to independent appeal committee(s)</p> <p>TIC is responsible for trade self-regulation, including regulation of travel agents and administration of the Tourist Guide Accreditation System and Outbound Tour Escort Accreditation System</p>	<p>Independent statutory body is responsible for the regulation of travel agents, tourist guides and tour escorts</p> <p>The licensing of travel agents, tourist guides and tour escorts may be undertaken by the government or the independent statutory body</p>	<p>A Government department handles the licensing and regulation of travel agents, tourist guides and tour escorts</p>
Regulatory instrument	<p>TAR: Travel Agents Ordinance</p> <p>TIC: Codes of conduct and directives</p>	<p>TAR: Travel Agents Ordinance</p> <p>TIC: Codes of conduct and directives (which are subject to the approval of SCED)</p>	<p>Prescribe normal responsibilities of and conduct rules for the travel trade in subsidiary legislation</p> <p>Independent statutory body to formulate codes of conduct and trade directives (not subsidiary legislation)</p>	<p>Regulate the operation of travel agents and conduct of tourist guides and tour escorts by subsidiary legislation</p>

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Appeal mechanism	TIC Appeal Board to handle appeals against TIC's decisions related to travel agents, tourist guides and tour escorts	Independent appeal committee(s) to handle appeals against TIC's decisions related to travel agents, tourist guides, tour escorts and travellers	Independent appeal committee(s) to handle appeals against the independent statutory body's decisions related to travel agents, tourist guides, tour escorts and travellers	Independent appeal committee(s) to handle appeals against the TAR's decisions related to travel agents, tourist guides, tour escorts and travellers
Co-ordinating the trade to handle emergency incidents	TIC continues to co-ordinate with trade members to provide support to travellers and advise the Government on the handling of emergency incidents	TIC continues to co-ordinate with trade members to provide support to travellers and advise the Government on the handling of emergency incidents	TIC continues to co-ordinate with trade members to provide support to travellers and advise the Government on the handling of emergency incidents	TIC continues to co-ordinate with trade members to provide support to travellers and advise the Government on the handling of emergency incidents
Implications of the options				
Co-ordination among different organisations	Retain the current framework. As the trade and their partners are conversant with the existing operation, it would be easier to ensure smooth co-ordination	Retain the current framework. It would be easier to ensure smooth co-ordination but liaison between TIC and TAR on appeal procedures is required	A central regulatory authority could minimise co-ordination problems. Communication between the Government and TIC will become indirect. It is proposed that TIC representative(s) should be appointed to the board of the independent statutory body	A central regulatory authority could minimise co-ordination problems. Synergy may be achieved by having the Government taking responsibility for tourism policy, tourist attraction planning and regulation Communication between the Government and TIC will become indirect

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Regulatory flexibility	High	High	High	Low
Independence and Credibility	Lower than Options 3 and 4	Lower than Options 3 and 4 but higher than Option 1	Higher	Higher
Degree of trade participation in the regulatory process	Full participation in the process of formulating codes and directives	Full participation in the process of formulating codes and directives	Less participation	The trade retains an advisory role; less participation in the process
Impact on the current framework	Not much impact on the current framework	In retaining TIC's regulatory role and trade organisation status, continue to co-ordinate with trade members to promote the public interest and handle emergency incidents	TIC no longer has a regulatory role. This might affect the effectiveness of its work in co-ordinating the trade to promote the public interest and handle emergency incidents	TIC no longer has a regulatory role. This might affect the effectiveness of its work in co-ordinating the trade to promote the public interest and handle emergency incidents
Resources required	Similar resource requirements as at present. The financial implication is insignificant	Additional expenditure of about \$9 million will be needed	Additional expenditure of about \$17 million to \$22 million will be needed	Additional expenditure of about \$12 million will be needed