Annex 1

Specific Functions of the BMSSC

The specific functions of the BMSSC include –

(a) compiling and managing three Pre-qualified Lists (the criteria covering technical capacity, integrity, financial capacity and past performance), including processing pre-qualification applications; during the generally two-year validity period, implementing arrangements for removal from the lists and suspension of pre-qualification status during the two-year period;

(b) awarding tender and managing multiple fixed-term contracts for building inspection covering districts across the Territory, and directly assigning inspection consultants to owners according to the location of the building, so as to save the time required for separate tendering for each individual project and commence building inspections as soon as possible. Economies of scale should also enhance service quality and reduce costs;

(c) conducting tendering and tender evaluation on behalf of owners for the engagement of supervision consultants and contractors respectively, including –

  (i) separating the functions of inspection consultants and supervision consultants to ensure independence between the two roles, and stipulating that inspection companies awarded fixed-term contracts under (b) above can not compete for supervision consultant contracts;

  (ii) acting a gatekeeping for works tender documents, including vetting the maintenance and renovation recommendations and terms in works tender documents drafted by supervision consultants, reviewing the reasonableness of the scope of maintenance and renovation and cost estimations, and reducing ambiguous clauses in tender documents, so as to avoid the risk of collusion by deliberately manipulating and substantially increasing works costs after the contract is signed. This includes clearly specifying which types of works are to be calculated on a fixed lump sum basis and which are to be calculated according to actual quantities; adding additional technical, manpower and other requirements for tendering of supervision consultants or contractors according to the scale and complexity of the project; and deciding whether to adopt the two-envelope system for tender evaluation;

  (iii) strengthening declaration of interests arrangements during tendering, and through the inter-agency information sharing system under (I) below, conducting proper integrity checks, including requiring tendering supervision consultants and contractors to declare information on associated companies and confirm that associated companies have not submitted tenders at the same time; declaring interest relationships with owners, management committees, property management companies, consultants and contractors; signing a "non-collusion tendering certificate" and making a statutory declaration on its content;

  (iv) establishing a mechanism to identify, review and screen out abnormally low-price tenders; and

(v) recommending up to three tenders to owners based on the ranking of tender evaluation scores.

(d) providing independent advice to owners if substantial amendments to the scope of works or increase in works costs are required after commencement of works;

(e) compiling sample tender documents and works contracts for supervision consultants and contractors;

(f) establishing and managing an information system to publish cost data of completed projects in a manner that is easy to understand and compare for owners' reference;

(g) establishing a system for regular review of the works performance of inspection consultants, supervision consultants and contractors, and taking into account performance scores in the renewal of pre-qualified lists and project tender evaluation;

(h) handling complaints related to the new support services;

(I) establishing an information sharing system with law enforcement agencies and relevant government departments to assist in evaluating tenders and identifying abnormal situations; and

(j) formulating new support service categories, fees and subsidy level.

Annex 2

Summary of Proposed Amendments to the BO

(I) Enhancing Regulation of Large-scale Repairs

(1) Establishing large-scale building repairs as a new category of works under regulation:

- Large-scale building repairs, which are currently mainly Class II minor works, will be established as a separate new category of works, with strengthened statutory regulation. This includes upgrading the current requirement from "notification" only to requiring a prior permit from the BD before works can commence. That is, professionals must submit plans, supervision plans, etc. before commencement of works, and the BD and other relevant departments will grant the permit only after they are satisfied with the proposed arrangements for works, supervision and temporary precautionary measures. If the scaffolding for the building repairs covers at least one building standing alone of four storeys or above, or if the scaffolding covers the full height of a light well or re-entrant, the works will be regarded as large-scale building repair works and subject to the above enhanced regulation.

- In future, if large-scale building repairs deviate in a material way from the plans or building works are carried out in a dangerous manner, etc, the applicable maximum penalty currently under the minor works control regime will be raised to the same level as for new building works in general after the proposed BO amendments. (For the increase in penalties, see (III)(1) below.)

(2) Clearly defining powers and responsibilities to elevate professional independence:

- The functions of building inspection and supervision will be separated in future under the MBIS. The person responsible for building inspection cannot act as the supervision consultant for the same project, while the actual works must be undertaken by engaging a contractor. Coupled with the tightening of interest declaration requirements under the BO, this will sever the chain of interests and reduce the incentive to profit from subsequent works.

- The professional qualifications of supervision consultants will be raised from Registered Inspectors to Authorized Persons who possess more comprehensive project experience, so as to enhance effectiveness of supervision.

- The qualifications of contractors will be raised, so that only Registered General Building Contractors or Class I minor works contractors can undertake large-scale building repairs.

- It will be stipulated that the contractor who submits statutory documents to the BD must be the same contractor undertaking the works, so as to prevent the situation of "subcontracting without carrying out the works".

(3) Strengthening building and fire safety standards:

- Precautionary measures to be taken for all building works will be clearly stipulated, covering aspects such as fire prevention, building structural stability and means of escape. The BD will also be empowered to prescribe building and fire safety standards and temporary precautionary measures for large-scale building repairs, specifically including requirements for building separation distance under repair, specified building materials (e.g. scaffolding materials, materials for temporary window covering), requirements for installation of temporary fire barriers on escape staircases, access openings arrangements and safety requirements, as well as additional protective measures for building entrances and exits during the works period.
- The working groups established earlier by the BD and the Fire Services Department have preliminarily discussed the above requirements and standards. On this basis, the DEVB will lead the establishment of an Expert Panel comprising industry heavyweights, representatives from the engineering and academic sectors, to assist in formulating the macro principles, standards and guidelines for large-scale building repair.
- At present, the BD can prosecute the use of defective materials, but the term "defective" lacks a clear definition and the department needs to prove it case by case. To enhance the effectiveness of prosecution, the proposed BO amendments will explicitly provide that specified building materials must comply with the safety standards specified by the BD, including scaffolding and protective materials, fire-rated doors and concrete etc., thereby providing a clear legal basis. In future, prosecution can be instituted directly for contravention of the specified safety standards without the need to prove that the materials are defective, so as to reduce disputes over proof.

(II) The BD to Proactively Inspect Industry Performance and Strengthen Enforcement

(i) For inspection and building repairs of existing buildings

In addition to stricter regulatory control through the proposed BO amendments, the BD will proactively audit and inspect during the building inspection, supervision and works stages to strengthen enforcement and implement the statutory regulatory framework for large-scale building repair, including:

(1) Building inspection stage: Changing from the current auditing of only 5% to requiring all mandatory building inspection reports to be submitted to the BD for review. Building inspection

reports must be accepted by the BD before they can form the basis of building repair. In addition, to tackle the problem of having some professionals not personally conducted building inspections in accordance with the law, the BD will conduct on-site surprise inspections of building inspection. Furthermore, the BD will amend the Code of Practice, update and refine the technical standards and requirements to be complied with during building inspection to ensure the quality of building inspection and the reasonableness of repair proposal.

(2) Supervision stage: Requiring Authorized Persons to submit supervision reports every six months for full review by the BD to ensure that Authorized Persons perform their supervision duties in accordance with the law. If there are deficiencies, the BD will conduct surprise inspections on site.

(3) Works stage: The BD will inspect large-scale building repairs sites at least once every six months to ensure that contractors are carrying out works in accordance with the law. After completion of building repair, the BD will audit completion reports on a "risk-based" principle, including conduct of on-site audit.

(ii) Applicable to new building works

- In view of recent steel reinforcement problems in new works projects, the BD will further strengthen regulation. Since May 2025, the BD has doubled the number of audit inspection on the quantity and arrangement of steel reinforcement before concrete pouring on sites, increasing from 12% of sites inspected annually to 25%. In future, the department will require all sites to fully retain records of steel reinforcement arrangements. That is, before concrete pouring works, the contractor must check the steel reinforcement arrangement of each structural member (such as columns, beams, slabs and transfer plates). The Technically Competent Persons under the professional must fully review and give consent before concrete works can commence. Records of steel reinforcement arrangements before concrete pouring must be recorded by photos or videos and all submitted to the BD for audit check. The BD will consult the industry and expects to implement the measures by the end of the year.

- As for the steel reinforcement arrangement after concrete pouring, the BD has since May 2025 audited 25% of sites annually using covermeter technology for audit inspection. In future, all sites must engage independent laboratories to conduct audit inspection of steel reinforcement using the same technology to prove that the quantity and arrangement of steel reinforcement comply with the approved plans. After review by professionals, the report will be submitted to the department, and the BD will conduct audit inspection. The BD plans to consult the industry and implement the measures early next year.

(III) Tightening the Disciplinary Systems for Professionals and Contractors

Carrying out building works in accordance with the law is the responsibility of professionals and contractors. The Government will, through review, audit inspection and punitive measures, hold the relevant persons who have not fulfilled their responsibilities accountable. If it is confirmed that supervision or works has not been properly carried out, the BD will follow up seriously and institute prosecution and disciplinary action. To strengthen regulation of the industry, the proposed BO amendments will strengthen the regulation of professionals and contractors for new works and building repairs in various aspects:

(1) Significantly raising the maximum penalties for non-compliance:

- Raising the maximum fine for failure to personally conduct building inspection or properly supervise maintenance works from $250,000 to $750,000, and raising it to a maximum of imprisonment for one year.

- For new building works and future large-scale building repairs, if professionals or contractors use defective materials or non-compliant specified materials, or seriously deviate from the approved plans, the maximum fine of $1 million and imprisonment for three years will be raised to $3 million and imprisonment for three years.

- For new building works and future large-scale building repairs, if professionals or contractors carry out building works in a dangerous manner, resulting in or likely to result in personal injury or damage to property, the maximum fine of $1 million and imprisonment for three years will be substantially raised to $10 million and imprisonment for five years.

(2) Strictly enforcing the deregistration mechanism:

- Stipulating that professionals or contractors who have committed offences under the Prevention of Bribery Ordinance or the Competition Ordinance will be immediately deregistered without the need for disciplinary hearing.

- In addition, the BD will more frequently verify whether professionals are still practising the relevant profession and strictly enforce the deregistration arrangements to curb the situation of "lending licences".

(3) Expediting and enhancing the effectiveness of handling disciplinary hearing cases:

- Simplifying the composition of the Registered Contractors' Disciplinary Board to expedite hearings and raising the maximum disciplinary fine for each offence from $250,000 to $750,000.

- Empowering the Disciplinary Board to impose more than one penalty, including fines, permanent/temporary deregistration and public reprimand.

- In addition, unlike the current practice of mainly convening disciplinary hearings arising from offences, the BD will in future initiate disciplinary action based on performance records, including the number of warning letters issued and the degree of non-compliance.

(4) Tightening the registration renewal systems:

- Same as the current renewal arrangements for contractors, the BD may require professionals to undergo interview assessment.

- The BD will more comprehensively review the performance of professionals and contractors and may conduct interviews during registration renewal based on the number of warning letters issued and the degree of non-compliance.

- Empowering the BD to grant a shorter renewal period to contractors involved in fatal industrial accidents and impose conditions on implementation of improvement works, etc.

Annex 3

Key Points of Revamping Organisational Structure of BD

Since its establishment in 1993, the structure of BD has not undergone major changes. The Director is assisted by only one Deputy Director, leading six Assistant Directors, and managing about 2 000 professional, technical and other staff. The division of labour among sections is mainly based on the nature of works and functions; regulation is also more focused on new buildings than before. In recent years, the department not only faced pressure to expedite the vetting of plans and strengthen regulation of new works projects, but the accelerated ageing of buildings (buildings aged 50 years or above have increased substantially from about 5 000 ten years ago to nearly 20 000 by 2035) has also generated a large amount of work, overburden the department. As BD will in future regulate building repair from a passive to a proactive approach, including comprehensively reviewing building inspection reports and supervision reports, vetting large-scale building repair plans and supervision plans, conducting surprise audit inspections of building inspection works and sites, auditing completion reports, etc., plus the need to strengthen supervision of new building works. With the current organisational division and manpower of BD, it is difficult to effectively cope with the above complex and diverse new and old work.

To thoroughly implement the reforms, after reviewing the existing manpower, we propose to revamp the departmental organisational structure, strengthen top-level leadership, and enhance operational and enforcement capabilities. The target is to commence implementation of the reorganisation arrangements in the first quarter of next year. Details are as follows –

(1) Two divisions, each led by a Deputy Director, will be set up at the departmental top level to oversee new buildings and existing buildings respectively. The New Buildings Division will be responsible for supervising the vetting of plans and regulatory work of new works projects, as well as providing technical support services for the department, including promoting and deepening the application of technology, and at the same time supervising the team to strengthen the regulation of new building works. The Existing Buildings Division will lead and supervise the regulation of existing buildings. The Division will lead a total of ten district teams to comprehensively take charge of existing buildings, including the MBIS, minor works, unauthorised building works and other issues, and will also be responsible for fire safety of industrial and commercial buildings, unauthorized building works in New Territories village houses and slope safety, etc. (details see (2) below). To ensure that the reorganisation can be implemented and to cope with the additional work arising from the change in regulatory mode, BD will carefully review the manpower arrangements, including frontline staff and leadership management, to ensure that enforcement work is carried out properly.

(2) BD will reorganise the district arrangements for existing buildings. The current six districts will be reorganised into ten districts, adopting the "District Chief" system. A directorate officer will be the "District Chief" leading professional and technical staff of the department to form ten district teams, comprehensively taking charge of enforcement work under the BO for all existing buildings in the district, including end-to-end monitoring of inspection, supervision and works related to the implementation of the above reform measures under the MBIS. Unlike the current arrangement where work is scattered among different sections, the "District Chief" can handle issues related to the same building in one go, which can greatly enhance work and enforcement efficiency. The department can also respond to owners more quickly and effectively, improving service quality. As the convener, the "District Chief" will lead inter-departmental dedicated teams, comprising officers from the Housing Bureau, Fire Services Department and Labour Department, etc., to promote communication and collaboration among departments in respect of site inspections and handling of complaints for projects under the MBIS in the district, ensuring that project safety risks and complaints are properly handled.

(3) BD will establish a "Dedicated Audit and Monitoring Section" led by a directorate officer to replace the existing internal audit unit. This directorate officer will report directly to the Director and be responsible for conducting internal audits of the work of BD's staff (not limited to the MBIS), as well as conducting independent inspections and review of the enforcement work of the PBC of the Housing Bureau under delegated authority, including auditing whether the review work is properly carried out in accordance with the prescribed procedures, and the reasonableness of case handling and professional decisions. The Director is required to report the audit results and follow-up actions to the Permanent Secretary for Development on a regular basis. The upgraded Audit and Monitoring section will prioritise the review of building repair.

(4) To assist the PBC staff in effectively exercising the delegated powers under the BO, BD will second a directorate officer to the PBC to provide professional advice on the implementation of the BO, and assist in training relevant staff and strengthen communication and collaboration between BD and PBC.

End