

**Business Facilitation Advisory Committee  
Food Business and Related Services Task Force**

***Review of the Food Business Licensing Regime - Composite Food Shop Licence  
and Extension of the Validity Period of Full Licences***

**Purpose**

This paper aims at briefing Members on the review undertaken by the Food and Environmental Hygiene Department (FEHD) of the composite food shop licence and the extension of the validity period of full licences under the food business licensing regime.

**Background**

2. In November 2023, the Audit Commission submitted to the Legislative Council (LegCo) Report No. 81 of the Director of Audit on the results of value for money audits on the licensing and regulatory control of food premises. In February 2024, the LegCo's Public Accounts Committee made a number of recommendations to the FEHD, including the demand for the composite food shop licence and the extension of the validity period of full licences.

**Composite Food Shop Licence**

3. To facilitate business operations, the FEHD introduced, at the request of the trade, in August 2010 the composite food shop licence, a single licence covering the sale and/or preparation on the same premises of various specified types of simple or ready-to-eat foods that do not involve complicated preparation for consumption off the premises<sup>1</sup>. For example, the preparation of coffee and sandwiches as well as the sale of foods like siu mei inside the premises, which gives the licensee more flexibility in business operation. Despite its objective of facilitating a more adaptable and flexible mode of operation, the composite food shop licence has a consistently low application rate. Only 41 applications have been received since its introduction. Due to changes

---

<sup>1</sup> The composite food shop licence allows a licensee to prepare and sell the classes of food specified in Part 1 of Schedule 2A of the Food Business Regulation (Cap. 132X); sell the classes of food specified in Part 2 of that Schedule; reheat pre-cooked food for sale; or sell food by a vending machine, for human consumption off the food premises.

in food business operation mode and commercial considerations, only one food premises remains holding this type of licence currently. In view of this, the FEHD is conducting a review of the need to retain the composite food shop licence and consulting the trade on the subject.

### **Follow-up Action on the Extension of the Validity Period of Full Licences**

4. According to the Food Business Regulation (Cap. 132X), all full food business licences are valid for 12 months. Moreover, pursuant to section 125 of the Public Health and Municipal Services Ordinance (Cap. 132), if the FEHD has to impose licensing conditions on the licensee or amend the licensing conditions of the existing licence, it is required to notify the licensee of the amendments in writing in no less than 90 days before licence expiry in order that the new/amended licensing conditions could take effect upon licence renewal.

5. To facilitate business operations, the FEHD is studying the feasibility of extending the validity period to two years and shortening the notice period required for changes to licensing conditions in parallel. Members were also consulted in this regard at the meeting of the Task Force in April 2024. There were opinions concerning that the trade might not be able to comply with the revised requirements on time if the notifying period required for amending the licensing conditions was shortened as a result of the FEHD's study of the feasibility for extending the validity period of full licences,

6. Therefore, the FEHD preliminarily proposes extending the validity period of full licences and amending the above ordinances in tandem so as to exercise an effective control when the need for the imposition/amendment of licensing conditions arises. The FEHD would like to consult the views of the Task Force members on the time of shortening the notifying period required for amending the licensing conditions with a view to formulating the concerned follow up work. The existing fire safety requirements remain status quo.

### **Advice Sought**

7. Members are invited to note and give comments on the contents of this paper.

**Food and Environmental Hygiene Department**  
**July 2024**