

## Construction Industry Council

### Committee on Registered Specialist Trade Contractors Scheme (RSTCS)

Meeting No. 005/23 of the Committee on Registered Specialist Trade Contractors Scheme (Com-RSC) for 2023 was held on 27 November 2023 (Monday) at 2:00pm at Boardroom, 29/F, Tower 2, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay and via video conferencing.

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Summary Notes of the Com-RSC Meeting No. 005/23:

<b>Agenda Item</b>	<b>Paper</b>	<b>Major Resolutions/Progress Highlights</b>
5.1	CIC/RSC/M/004/23 (for approval)	<b>Confirmation of the Minutes of Previous Meeting</b>  Members confirmed the minutes of the previous meeting held on 13 September 2023.
5.2	---	<b>Matters Arising from the Previous Meeting</b>  Nil.
5.3	CIC/RSC/P/082/23 (for approval)	<b>Sub-committee on Regulatory Action Report and Recommendations</b>  <b><u>Serious Incidents Evaluation</u></b>  Members approved the recommendation to convene an immediate regulatory hearing for one recent fatal incident (Agenda Item 5.12).  <b><u>Immediate Suspension of Registration Mechanism</u></b>  Members approved the proposal to introduce the “Immediate Suspension of Registration Mechanism” (the Mechanism) to RSTCS which aimed to let registered companies involved in

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		<p>serious incidents to immediately review their safety management systems.</p> <p>With reference to the Development Bureau (DEVB)'s mechanism of "Immediate Suspension of Contractors from Tendering Due to Occurrence of Serious Incidents" which took effect on 28 July 2023, it aimed to let contractors involved in serious incidents to immediately review their safety management systems. The tendering qualification would only be restored when the DEVB satisfied with the concerned companies' safety management system. Members considered that the Mechanism would help the relevant Registered Specialist Trade Contractors and Registered Subcontractors to promptly review their safety management systems when serious incident occurred, especially in the event of a fatal incident. This not only highlighted the concept of everyone having fair-shared safety responsibility, but also facilitated RSTCS to take prompt follow-up measures against registered companies involved in serious incidents.</p> <p>The Com-RSC had considered and deliberated advice from CIC legal adviser on the Mechanism. When a serious incident, especially a fatal accident, occurs in any public or private construction site, the Com-RSC may immediately suspend RSTCS registration of the concerned registered company. The concerned registered company should complete an independent safety audit and implement the audit recommendations to the satisfaction of the Com-RSC in order to uplift the suspension which normally last for 3 months.</p>
5.4	CIC/RSC/P/083/23 (for approval)	<p><b>Optimization of Regulatory Action Mechanism</b></p> <p>Members approved the optimization of regulatory action mechanism for cases involving first-time violation of the Employment Ordinance (Cap 57), the Mandatory Provident Fund Schemes Ordinance (Cap 485) and the Construction Workers Registration Ordinance and where the offenses are minor, in order to concentrate resources on regulatory hearings for cases relating to the breach of construction safety regulations and involving serious incidents.</p>

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5.5	CIC/RSC/P/084/23 (for approval)	<p data-bbox="741 252 1783 288"><b>Proposed Amendments to Rules and Procedures (R&amp;P) of the RSTCS</b></p> <p data-bbox="741 331 2078 488">Members approved the amendment to the R&amp;P for the Register of Subcontractors for including two new registration requirements, namely Safety and Management; and the amendment to the R&amp;P for the Register of Specialist Trade Contractors for enhancing the registration requirement for job experience.</p> <p data-bbox="741 531 1037 568"><b><u>Brainstorm Session</u></b></p> <p data-bbox="741 571 2078 927">Members conducted a preliminary discussion on whether to simultaneously undertake regulatory actions against affiliated companies of the registered companies that are subject to regulatory action. Members opined that existing mechanism already contained provision to deal with registered companies under common sole director with restrictions in place. If the scope of regulatory actions was extended to other related companies solely based on co-directors or shareholders, it might violate the fundamental principles of the Company Law which would be subject to legal challenges. Moreover, given that registered companies have varied structure and expertise, a detail study on the impact on market operations is necessary. Members took note of the preliminary brainstorm at this stage.</p>

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5.6	CIC/RSC/P/085/23 (for information)	<p><b>Progress Report for the Proposed New Designated Trades</b></p> <p>Members took note of the progress report for new designated trades. Three new designated trades, namely “Levelling and Setting Out”, “Building Maintenance” and “Interior Fitting-out” were launched in 2023. Stakeholder consultation was in progress for other 16 proposed new designated trades, including eight trades corresponding to the DEVB’s List of Approved Suppliers of Materials and Specialist Contractors for Public Works (Roadworks, Waterworks, Marine Works, Earthworks, Geotechnical Works, Foundation and Piling, Ground Investigation and Expansion Joints), six trades that were supported by the trade associations to upgrade current subcontractor trades (Horticultural Works, Arboriculture Works, Skyrise Greenery Works, Painting, Metal Works and Structural Steelworks), and two other proposed trades related to repair, maintenance, alteration and addition (Concrete Repair and Waterproofing). Due to the diverse views of stakeholders on the direction of the RSTCS development, registration requirements of each potential designated trade as well as impact of the designated trade to the operation of market, the Com-RSC will continue liaising with the stakeholders and gradually launch the new designated trades when appropriate.</p>
5.7	CIC/RSC/P/086/23 (for approval)	<p><b>Temporary Task Force Report</b></p> <p>Members reviewed four unconvicted cases of misconduct referred to CIC by the Independent Commission Against Corruption (ICAC), all of which involved foremen or workers soliciting commissions or referral fees from other workers. Since the ICAC did not have sufficient evidence to prosecute the relevant individuals or companies, they therefore referred the matters to CIC for consideration for follow-up. After deliberation, Members approved the recommendations of the Temporary Task Force to issue a reminder letter to one of the registered companies involved to urge it to formulate and effectively implement integrity management policies. The company involved in another case was not a registered company and therefore no</p>

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		<p>follow-up action was required. For the remaining two cases, the registration of the concerned company had already expired and no application for renewal had been made. Therefore, no follow-up action was required. Members took note that the Temporary Task Force recommends, in collaboration with ICAC, to convert the content of the cases into anti-corruption tips to remind registered companies to eliminate the practice of soliciting commissions or referral fees from other workers.</p>
5.8	CIC/RSC/P/087/23 (for approval)	<p><b>Establishment of Sub-committee on Registration Matters</b></p> <p>Members approved the Temporary Task Force to become the Sub-committee on Registration Matters to continue to review the referral cases of misconduct from ICAC.</p> <p>Composition of the Sub-committee:  One chairperson, served by the chairperson of Com-RSC; and  Two members, served by two members of Com-RSC</p> <p>Terms of reference of the Sub-committee:  (a) Review the ICAC’s correspondence and related matters in a confidential manner and take appropriate follow-up actions;  (b) Examine whether the case/matter is within the scope that can be handled under the rules and procedures of the RSTCS;  (c) Obtain expert advice such as legal advice when necessary;  (d) Recommend appropriate follow-up action, if any, to Com-RSC.</p>

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5.9	CIC/RSC/P/088/23 (for information)	<p><b>RSTCS Operation Report</b></p> <p>Members took note of the Operation Report. Key points were as follows:</p> <p>(a) As of the end of October 2023, the total number of registered companies was 7,377 (August 2023: 7,420) in which 2,061 (August 2023: 1,289) were Registered Specialist Trade Contractors (RSTCs) and 5,316 (August 2023: 6,131) were Registered Subcontractors (RSs).</p> <p>(b) As of the end of October 2023, Com-RSC had imposed regulatory actions on 15 (August 2023: 14) registered companies which were involved in safety incidents.</p>
5.10	CIC/RSC/P/089/23 (for information)	<p><b>2024 Key Performance Indicators and Meeting Dates</b></p> <p>Members took note of the final revision of the Key Performance Indicators and the meeting dates of 2024.</p>
5.11	---	<p><b>Any Other Business</b></p> <p>Nil.</p>
5.12	CIC/RSC/P/090/23 - CIC/RSC/P/091/23 (for information)	<p><b>Regulatory Hearing</b></p> <p>The Com-RSC sanctioned a total of three companies with registration suspension due to violation of relevant ordinances for fatal accident or involving in serious incident.</p>

*Remarks: The mentioned papers and/or progress reports discussed at the Com-RSC can be made available to Council Members from the CIC Secretariat upon request.*