



2010/07/16 12:53

To cpr@cedb.gov.hk

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Subject Public Consultation on Legislation to Enhance Protection for
Consumers Against Unfair Trade Practices Urgent Return receipt Sign Encrypt

Dear Sir,

In my opinion, the fitness, facial & body slim industry and other company offer varieties of courses on a prepaid basis should be covered in the proposed legislation. As most of the recent cases which involve millions of dollars of loss suffered by citizens are involving the above industries.

The government should impose more strict rules on the usage of the prepaid money. For instance, if the prepaid amount are above hkd 30,000 and the service period exceed 1 year, the 7 days of refund period should be given to the customers, the company can retain certain amount (ex. 3%) as administration fee in order to cover the expense.

Most importantly, when the company's monthly cash inflow exceed hkd 3 million, the owner has to issue quarterly financial report and 50% of the cash inflow (deposit) should be only allowed to use as operating expense and has to stay inside as form of cash equivalent asset.

Any company violate the above rules should be exposed and have their names published in the media, i think this is more effective than imposing penalty or prison terms as litigation usually takes prolonged period.

The above procedures can never stop the citizens form suffer loss but at least there will be less ponzy scheme type of businesses who use prepaid deposit income to gamble in stock market or the real estate market.

Regards

(Please have my name removed if this letter is ever published)