Trade Descriptions Ordinance

Public Consultation Paper

June 2026

Commerce and Economic Development Bureau

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CHAPTER 1 INTRODUCTION

Consumer Protection Regime

1.1 The Government is committed to protecting the rights and interests of consumers. We endeavour to establish an effective, transparent, fair and just regime under which consumers are well protected while traders can conduct businesses freely.

1.2 At present, various ordinances are in place to protect consumer rights and interests from different aspects. Unfair trade practices (UTP), inaccurate measurement and misrepresentations are respectively regulated under the Trade Descriptions Ordinance (TDO) (Cap. 362), the Weights and Measures Ordinance (Cap. 68) and the Misrepresentation Ordinance (Cap. 284). The Unconscionable Contracts Ordinance (Cap. 458), the Sale of Goods Ordinance (Cap. 26) and the Supply of Services (Implied Terms) Ordinance (Cap. 457) deal with contract-related matters. The Consumer Goods Safety Ordinance (Cap. 456) and the Toys and Children's Products Safety Ordinance (Cap. 424) govern goods safety-related matters.

1.3 Over the years, the Government has taken proactive actions to improve consumer protection measures in the light of the latest consumption trend and market situation. The Government amended the TDO in 2012 to prohibit traders from subjecting consumers to UTP, including false trade descriptions, misleading omissions, aggressive commercial practices (ACP), bait advertising, bait-and-switch and wrongly accepting payment (WAP). Upon conviction, the maximum penalty for any person who commits UTP offences is a fine of $500,000 and imprisonment for five years.

1.4 As the principal agency responsible for enforcing the TDO, the Customs and Excise Department (C&ED) has spared no effort in

combating UTP at source by adopting a three-pronged approach, namely compliance promotion targeting traders, taking enforcement actions as well as public education and publicity. Since the amended TDO has come into operation and up until end-December 2025, C&ED has concluded prosecution of 827 UTP cases with a total of 755 cases convicted, representing a successful prosecution rate of over 90%[1]. Among which, the persons convicted in 133 cases were sentenced to imprisonment or given suspended sentence, those in 572 cases were fined, and those in 74 cases were sentenced to community service orders[2].

1.5 Meanwhile, the Consumer Council (the Council) is committed to studying and promoting the protection of consumers' rights and interests, and carries out its statutory functions in accordance with the Consumer Council Ordinance (Cap. 216), including the handling of complaints lodged by consumers relating to goods and services and the provision of advice to them, as well as conciliation of disputes between consumers and traders.

1.6 Overall speaking, the above multi-faceted efforts have been effectively guarding consumers against the impact of UTP. Members of the public have become more vigilant about potential sales pitfall and their legal rights being protected under the TDO, while traders are more familiar with their responsibilities to comply with the TDO and other ordinances meant for protecting consumers' rights and interests. The interplay of effective enforcement and dispute management has facilitated the fair trade between traders and consumers, and also created a favourable business environment in Hong Kong, which is conducive to boosting consumption.

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[1] To encourage compliance of trader, the amended TDO also provides that C&ED might accept an undertaking from a trader committing not to continue or repeat the unfair trade conduct concerned in lieu of C&ED's prosecution actions. Since the amended TDO has come into operation and up until end-December 2025, C&ED has accepted a total of 23 such undertakings from traders.

[2] One case may involve more than one type of sanction.

Focus of the Consultation Exercise

1.7 Notwithstanding the above diverse consumer protection measures currently in place, there have been calls in the community from time to time for the Government to enhance the protection of consumers on various fronts, especially in pre-payment mode of consumption. Therefore, we have conducted a comprehensive review on the TDO, taking into account the practices of other jurisdictions and various factors, including but not limited to the socio-economic environment, the operational situations of the relevant industries as well as complaint and enforcement statistics. The review has identified the following issues of concern –

(a) due to the increasing prevalence of pre-payment mode of consumption in the beauty and fitness services industries, consumers receiving such services face relatively higher risks;

(b) as far as the beauty and fitness services industries are concerned, some traders are deploying persuasion selling tactics, which is sometimes combined with ACP; and

(c) as far as the handling of the offence of WAP is concerned, there are certain limitations under the existing TDO on the investigation work carried out by C&ED.

1.8 In view of the above issues, we see the need to devise appropriate and proportionate measures, with a view to better protecting consumers from the risks of pre-payment mode of consumption and high pressure or persuasion selling tactics, while respecting the fundamental principle of freedom of contract. To this end, we **propose** imposing by legislation a statutory cooling-off period and statutory limit on contract duration and other restrictions on those types of contracts that are most susceptible to improper selling tactics and the risks of pre-payment mode

of consumption, i.e. pre-paid consumer contracts for beauty and fitness services (collectively, beauty and fitness services contracts), as well as including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the Organized and Serious Crimes Ordinance (OSCO) (Cap. 455).

CHAPTER 2 BACKGROUND TO THE POLICY PROPOSALS

Public Consultation in 2019 on a Statutory Cooling-off Period

2.1 Over the years, the Government has been closely monitoring the trends of UTP, complaint and enforcement statistics, etc., with a view to formulating appropriate strategies in protecting consumers' rights and interests. In the light of the large number of complaints involving fitness centres and beauty parlours allegedly using aggressive tactics to sell services which involve large pre-payment amounts, the Government conducted a public consultation from January to April 2019 to solicit views on the proposal to stipulate a statutory cooling-off period for beauty and fitness services contracts. However, shortly after the conclusion of the public consultation, there had been drastic changes in the social environment, economic situation and consumption sentiment since the second half of 2019. Therefore, the Government considered that there was a need to, having regard to the prevailing circumstances then, critically review the relevant proposal, before deciding the way forward.

2.2 In September 2024, the incident involving the sudden business closure of a large chain fitness and beauty group has unveiled the ongoing prevalence of pre-payment mode of consumption in the concerned industries, and the potential risks that consumers may face under UTP. The significant socio-impact of the sudden business closure incident, coupled with widespread concerns in the community, have underscored the need for a comprehensive review on the TDO. We have therefore taken forward a review on the TDO to come up with policy proposals, including among others, revisiting the proposal to stipulate a statutory cooling-off period on specific consumer contracts. The following paragraphs discuss in greater detail the issues of concern, and illustrate the considerations of the policy proposals that provide a more

comprehensive protection to consumers.

Risks of Pre-payment Mode of Consumption

2.3 Consumers face certain level of risks arising from the ongoing prevalence of pre-payment mode of consumption in certain industries. Consumers are often left in a vulnerable position and exposed to considerable risks if traders fail to deliver the services after accepting pre-payments due to different reasons (e.g. sudden business closure). For instance, as mentioned in paragraph 2.2 above, many consumers have fallen victims to the sudden business closure of the large chain fitness and beauty group in September 2024, with more than 2 800 complaints received by C&ED involving contract amounts of over $140 million in total, and with the highest amount in a single complaint exceeding $2 million. The incident has unveiled that pre-paid services could lead to exorbitant financial losses of consumers. Therefore, the formulation of more targeted regulatory measures to further protect consumers' rights and interests is necessary, in addition to the efforts in raising consumers' awareness.

ACP and Persuasion Selling Tactics

2.4 The TDO prohibits traders from engaging in ACP, i.e. the use of harassment, coercion or undue influence to significantly impair the average consumer's freedom of choice or conduct in relation to the product concerned, which causes the consumer to make a transactional decision that the consumer would not have made otherwise. According to C&ED's complaint figures, it was common for unscrupulous traders, particularly in beauty parlours and fitness centres, to adopt relevant improper selling tactics. The prevalence of ACP in certain services industries was the main reason for the Government's proposal to impose a statutory cooling-off period under the 2019 public consultation exercise.

While the situation of traders deploying ACP in recent years has not been as rampant as in the past, it has come to our attention that some traders have resorted to the deployment of persuasion selling tactics[3], which is sometimes combined with ACP, to lure consumers into making impulsive purchase decisions, which they may regret afterwards. Persuasion selling tactics are not prevalent across industries, instead it is predominantly concentrated in the beauty and fitness services industries. Between the period of 2020 to 2025, the number of complaints received by C&ED concerning the use of persuasion selling tactics in the beauty and fitness services industries had increased more than threefold, reflecting the aggravation of the problems. For instance, in a case reported to C&ED, an individual consumer felt embarrassed to decline the incessant persuasion of salespersons who took turns to promote the benefits of certain beauty procedures. The consumer eventually increased the bank credit limit to purchase the pre-paid beauty services valued at the amount of around $300,000.

2.5 Unlike ACP, as cases concerning persuasion selling tactics may sometimes not involve obvious criminal elements, C&ED could hardly take enforcement actions under the existing regime. Even if a case involves the use of ACP, since the high-pressure sales usually take place in enclosed business premises, such as inside a fitness centre or a treatment room of a beauty parlour, and often without third party witness, the investigation of these cases become more difficult. Moreover, the evidential requirement for prosecution and enforcement of criminal offences is considerably high and sometimes hard to attain, resulting in a relatively low number in prosecution. Besides, according to C&ED's experience, a large number of the consumers falling victim to persuasion selling tactics and/or ACP only wished to obtain refunds, and they were reluctant to get involved in C&ED's criminal investigation procedures.

[3] Persuasion selling tactics refer to the situation where the trader takes advantage of their personal relationship with the consumers and uses manipulative means to lure consumers into making transactional decision.

Investigation and Enforcement Difficulties Against Cases of WAP

2.6 The TDO prohibits traders from engaging in sales practices involving WAP, i.e. at the time of accepting the payment, the trader intends not to supply the product or to supply a materially different product, or there are no reasonable grounds for believing that the trader will be able to supply the product within a reasonable period. Currently, at times of sudden business closure, the aggrieved consumers can seek compensation for their losses in respect of the services that could not be provided by the trader concerned through several existing remedies [4] available. However, many consumers tend not to seek compensation as the claim process could be mentally stressful and the outcome may fall short of their expectations. In terms of criminal responsibility, as far as sudden business closure incidents involving criminal elements, C&ED has all along been taking enforcement actions decisively against the offence of WAP in accordance with Section 13I of the TDO. Nevertheless, as with other criminal offences, the threshold for criminal prosecution against WAP cases is high, and whether the trader concerned would ultimately be convicted is premised on sufficiency and strength of evidence for the prosecutors to prove traders' commitment of such offence beyond reasonable doubt. Therefore, rather than dealing with the issues and investigating the responsibilities after the sudden business closure or failure of traders in supplying the products or services, we **propose** tackling the issues at their source, by devising appropriate measures targeting the arrangement of service contracts to strengthen protection of consumers, so as to prevent them from falling prey to the risks of pre-payment mode of consumption and the impact of high-pressure/ persuasion selling tactics.

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[4] These remedies include, among others, filing a complaint with the Council, requesting a chargeback from the traders' acquirers (e.g. banks) through the credit card issuing company, filing a civil claim at the Small Claims Tribunal and other courts, etc.

2.7 As revealed by the incident of sudden business closure of a large chain fitness and beauty group in September 2024, we must critically take into account the substantial financial losses that consumers could potentially suffer from cases involving suspected WAP offence. We note from past enforcement experiences that C&ED's powers stipulated in the TDO are inadequate in effectively supporting its investigation and enforcement work, particularly in the event that traders try to deliberately evade investigations. For example, some traders may attempt to dodge C&ED's investigations by moving assets around or tampering with the proceeds of the suspected WAP-related crimes, further complicating the investigation work of C&ED. The existing TDO does not empower C&ED to seek from the Court an order to require a person to produce or to grant access to relevant material which is likely to be relevant to the investigation, or a restraint order to prohibit any person from dealing with the property in question, etc.

Policy Proposals

2.8 In view of the abovementioned situations and concerns of the community in the light of the sudden business closure of a large chain fitness and beauty group, the Government considers that additional efforts are required to provide better protection to consumers in respect of industries and situations that are more prone to UTP. To this end, we recommend the policy proposals, to be implemented by legislative amendments to the TDO and the OSCO, as follows –

(a) stipulating a statutory cooling-off period on beauty and fitness services contracts to provide consumers with room to reconsider their pre-payment decisions following the conclusion of contracts;

(b) imposing a statutory limit on contract duration and other restrictions on beauty and fitness services contracts to prevent consumers from making a large amount of pre-payment, and shorten the duration in which they are exposed to the risks of pre-payment mode of consumption; and

(c) including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the OSCO to empower C&ED with additional investigatory and enforcement powers.

CHAPTER 3 PROPOSED SCOPE OF APPLICATION OF THE STATUTORY COOLING-OFF PERIOD AND STATUTORY LIMIT ON CONTRACT DURATION AND OTHER RESTRICTIONS

Cooling-off Period Arrangement

3.1 Cooling-off period refers to the period of time following the conclusion of a contract whereby a trader allows its customers to unilaterally cancel the contract without having to provide a reason. Following contract cancellation, the trader needs to refund the amount paid by the customer (the proposed refund arrangement, including the calculation of the refund amount, is detailed in Chapter 4) and the customer's payment obligations in the contract also cease.

Statutory limit on Contract Duration and Other Restrictions

3.2 The proposal includes the imposition of a limit on contract duration and other restrictions, in terms of effective date, service coverage, etc. on the regulated contracts entered into between traders and their customers.

Policy Principles

3.3 The above proposals cut into the substance of contracts. Based on the fundamental principle of the freedom of contract, both contracting parties should enjoy the freedom to determine the content of a contract. Providing consumers with a statutory right to cancel contracts unilaterally and imposing statutory restrictions on contract terms would be construed as, to a certain extent, an interference into the terms of contracts through legislative means.

3.4 In the light of the growing concerns of different sectors of the community over high-pressure and persuasion selling tactics and the risks of pre-payment mode of consumption, it is necessary for us to provide better protection to consumers on the one hand, while creating a business-friendly environment in Hong Kong on the other, particularly for the small and medium enterprises, which is instrumental in driving the continuous growth of the economy. Therefore, we must strike a proper balance between the protection of consumers' rights and interests and the upholding of the principle of freedom of contract.

3.5 Given the above considerations, imposing an across-the-board statutory cooling-off period and statutory limit on contract duration and other restrictions on all types of contracts would not be perceived as introducing a balanced measure that is proportionate to the specific problems identified, nor would it be conducive to the sustainable growth of the economy of Hong Kong. Hence, the more pragmatic direction is to adopt a targeted approach by applying the relevant requirements to only those specific contracts which are most prone to high-pressure and persuasion selling tactics and involving large amounts of pre-payment, e.g. those with large number of complaints and/or high amounts of pre-payment. In fact, as revealed in our study, the proposed approach is in line with the practices commonly adopted in other jurisdictions, i.e. confining the scope of application of cooling-off period and/or limit on contract duration and other restrictions to the contracts of specific goods or services and/or contracts made under specific circumstances (see the details at Appendix 1 and Appendix 3).

Scope of application

3.6 As mentioned in Chapter 2, the issues of ACP and/or persuasion selling tactics and the risks of pre-payment mode of consumption are not widespread across all industries, but are concentrated

in the beauty and fitness services industries. According to the complaint statistics of C&ED, complaints involving beauty and fitness services industries accounted for nearly 90% amongst industries with the highest tendency for improper selling tactics. In these cases, under ACP[5] and/or persuasion selling tactics[6], consumers often sign lengthy contracts that involve a large amount of pre-payment. The situation of engaging in ACP and/or persuasion selling tactics in the beauty and fitness services industries continues to prevail over the past few years, with the number of complaints standing at a similar level all along. As regards complaints involving suspected WAP, mostly stemming from traders' inability to deliver the services to consumers in accordance with the commitments made after accepting pre-payment owing to various reasons (including business closure), beauty and fitness services took up the largest portion of such complaints at around 50% between the period of 2020 to 2025. As such, we **propose** stipulating a statutory cooling-off period and a statutory limit on contract duration and other restrictions on beauty and fitness services contracts. In addition, we also **propose** setting a contract amount as a regulatory threshold, so as to enable consumers to exercise their right to cancel contracts for beauty and fitness services which involve an amount exceeding the specified threshold, while allowing traders and consumers to have room to decide on arrangements for small-value transactions. Details are set out in paragraph 4.1 below.

Beauty Services

3.7 According to complaint statistics in the past, consumers could be subject to ACP and/or persuasion selling tactics and the issues of pre-

[5] Such tactics include arranging multiple sales persons to perform incessant selling while the consumers were receiving treatments, or targeting at consumers' social or physical weaknesses, etc.

[6] For example, some salespersons take advantage of their personal relationships with consumers and use different reasons (such as the need to meet impossible sales targets, pay monthly dues, difficulty in sustaining businesses, etc.) to persuade consumers into making large amount of pre-payments to purchase services.

payment mode of consumption in the course of receiving a variety of beauty services, including various chemical, mechanical or energetic procedures for beautifying purpose[7], cosmetic surgery, nail treatment services, massage services, hair loss improvement services[8], etc. Hence, we **propose** that contracts for the above beauty services provided at beauty parlours[9] be regulated by the statutory cooling-off period and statutory limit on contract duration and other restrictions.

Fitness Services

3.8 As regards fitness services, the complaint statistics revealed that most of the complaints concerning the use of ACP and persuasion selling tactics as well as WAP were lodged against fitness centres that offer a variety of fitness services, including the provision of exercise machines for use, provision of training on improving physical fitness and body-building and weight control. Hence, we **propose** imposing the statutory cooling-off period and statutory limit on contract duration and other restrictions on contracts for fitness services provided at fitness centres[10].

Exemptions

3.9 To prevent over-regulation, we have no intention to include traders who rarely engage in high-pressure/ persuasion selling tactics and involve the problem of pre-payment mode of consumption into the scope

[7] The list of relevant procedures is extensive and may be subject to changes given new beauty treatments emerge in the market from time to time. For the purpose of illustration, some examples are procedures with the use of devices (including micro-current and ultrasound devices) to improve facial texture and body feature, eyebrow tattooing, and laser skin resurfacing, etc.

[8] Hair-cutting and styling services do not fall within the proposed scope of application.

[9] Including premises, where one or more beauty services are provided, except those exempted as set out in paragraph 3.9.

[10] Including premises, where more than one fitness services are provided, except those exempted as set out in paragraph 3.9.

of application of the proposed measures. As far as fitness services contracts are concerned, since there were only very few complaints associated with premises that provide only one single type of service (such as yoga studios, dancing studios, martial arts studios, etc.), we **propose** exempting this type of fitness services contracts from the statutory cooling-off period and statutory limit on contract duration and other restrictions. We also **propose** exempting relevant services provided at premises managed by the Government, the Hospital Authority and its subsidiaries (including public hospitals[11]/clinics), the Board of Governors of the Prince Philip Dental Hospital, schools and education institutions, charitable organisations, national sports associations, and in clubhouses on private recreational leases, hotels and residential properties, as they are rarely associated with malpractices mentioned above.

3.10 To ensure a comprehensive protection to consumers, we **propose** no exemption for services provided at private healthcare facilities and/or by registered healthcare professionals from the statutory cooling-off period and the statutory limit on contract duration and other restrictions. For instance, for the beauty services and fitness sessions contracts provided at private hospitals, day procedure centres or clinics, so long as they belong to the regulated services as defined in paragraphs 3.7 and 3.8 above, will be subject to the proposed measures in the same manner as if they were provided at beauty parlours and fitness centres. This is to prevent any circumvention by traders through hiring healthcare professionals to provide beauty or fitness services while continuing to engage in high-pressure/ persuasion selling tactics to coerce consumers into making large amount of pre-payment.

[11] Including the Chinese Medicine Hospital of Hong Kong.

Other Contracts

3.11 There were suggestions that the scope of statutory cooling-off period and statutory limit on contract duration and other restrictions should be extended to cover contracts in other service sectors. After thorough consideration, given the malpractices and issues of pre-payment mode of consumption are predominantly concentrated in the beauty and fitness services industries according to C&ED's complaint statistics as set out in paragraph 3.6 above, we are of the view that a targeted approach should be adopted, and there is a lack of justification to extend the coverage of the proposed measures to other sectors.

3.12 Notwithstanding the above, we may consider building in flexibility when drafting the legislation (such as allowing amendments to be made by way of subsidiary legislations) to adjust the scope of application more expeditiously in future if necessary, while we will continue to closely monitor the evolving market situation, trade practices as well as consumption trends.

Advice Sought

3.13 Please provide your views on the following questions –

(a) Do you agree that the statutory cooling-off period and the statutory limit on contract duration and other restrictions should be imposed on beauty and fitness services contracts, and the proposed exemptions?

(b) Do you agree that beauty and fitness services provided in private healthcare facilities or by registered healthcare professionals should not be exempted from the statutory cooling-off period and the statutory limit on contract duration and other restrictions?

CHAPTER 4 PROPOSED OPERATIONAL ARRANGEMENTS FOR THE STATUTORY COOLING-OFF PERIOD

Pre-payment Monetary Threshold

4.1 The proposed statutory cooling-off period is intended to provide adequate protection for consumers, while also allowing room for consumers and traders to negotiate arrangements regarding transactions with lower risks of pre-payment mode of consumption. Therefore, we **propose** establishing a regulatory threshold such that if the total payment obligation under a contract exceeds that threshold, the transaction would be subject to the statutory cooling-off period. This approach would protect consumers while minimising the impact on small-value transactions as much as possible. According to C&ED's statistics for the period between 2020 and 2025 regarding beauty and fitness services contracts involving ACP and/or persuasion selling tactics, more than 80% of cases involved a contract amount of $3,000 or above; more than 70% involved a contract amount of $8,000 or above; and more than 60% involved a contract amount of $15,000 or above. On the other hand, for beauty and fitness services contracts with lower contract amounts, instances of improper selling tactics were less common, and the risks associated with pre-payment mode of consumption are relatively manageable. In consideration of the above factors, we **propose** that the thresholds for contract amount for consideration include: (i) $3,000 or above; (ii) $8,000 or above; or (iii) $15,000 or above.

Cooling-off Period and Refund Period

4.2 As noted from the arrangements of other jurisdictions, the length of the cooling-off period varies from one place to another, ranging from two calendar days to 14 calendar days; whereas the deadline for traders to make refund to consumers ranges from "immediate upon being notified of contract termination" to 60 calendar days. Arrangements in other jurisdictions are set out in **Appendix 1**. Taking into account practices in

other jurisdictions, we **propose** adopting a seven-calendar-day cooling-off period and a 14-calendar-day refund period, with a view to providing consumers with a reasonable time to consider whether to exercise their rights to cancel the contracts concerned on one hand, while giving traders sufficient time to handle the refund arrangements when consumers have decided to cancel the contracts on the other.

4.3 With reference to the practices commonly adopted in other jurisdictions, we **propose** prohibiting the curtailment of the cooling-off arrangement. Any waiver, restriction or modification of consumers' statutory right for contract cancellation, even by way of mutual agreement between consumers and traders shall not have any legal effect. This is to ensure that consumers will not be pressurised into accepting any curtailment of the cooling-off arrangement, and to provide better legal certainty and protection as regards consumers' right of contract cancellation under the statutory cooling-off period.

Provision of Information Note and Model Cancellation Notice

4.4 Consumers need to be clearly aware of their right to cancel contracts within the cooling-off period so that they can exercise such right effectively. For this reason and taking reference from the arrangements in other jurisdictions, we **propose** requiring traders to provide, before entering into contracts, an information note in writing to their consumers, setting out the latter's right in contract cancellation and a list of relevant information, such as the traders' basic information (including address and contact method), the means to cancel the contracts, administrative fee, etc. (the details are set out in **Appendix 2**).

4.5 To facilitate consumers to exercise their rights in contract cancellation, we **propose** requiring the traders to provide a model cancellation notice to consumers in addition to the information note at the same time. The model cancellation notice will be included in the proposed legislation in future to enhance consistency in operation and assist traders

in complying with the requirements. We **propose** that the cooling-off period shall only commence after a trader provides the information note and model cancellation notice to consumers, and failure to comply with the requirement will result in the cooling-off period being extended to, at maximum, six months after the contract is entered into. Consumers may choose to use the model cancellation notice or use the cancellation notice in any other formats to inform traders of their decision of contract cancellation, provided that there is sufficient information for identifying the contract purported to be cancelled, and their decision to cancel the contract is clearly stated. The cancellation notice will be regarded as having been delivered to the traders upon its issuance, and the traders must make refunds to consumers in accordance with the requirement of cooling-off period. Nevertheless, the burden to prove that the notice has been issued rests with the consumer. Hence, it is advisable to issue to traders the notice using a method that could record the date on which the notice is issued, such as registered mail, electronic mail or by fax, etc.

Refund Arrangement

4.6 When concluding a contract, a consumer may choose to settle payment using cash or non-cash means. In respect of the transactions of non-cash means made through a payment service provider[12], we **propose** requiring traders to use the same means originally used by consumers when the contracts were entered into, or in cash or cash equivalents[13] for making a refund. For transactions other than those made through a payment service provider (such as in cash), trader must make a refund in cash or cash equivalents. The above arrangement could avoid the situation of consumers being coerced to accept refund in any non-monetary form against their will, such as credits and coupons. As it may take time for the non-cash refund to be reflected in consumers' accounts, we **propose** that, as far as transaction of non-cash means is concerned, the refund would be

[12] A payment service provider means a person who operates a business enabling payments by consumers in a form other than cash or cash equivalents, such as a credit card, a debit card and a stored value facility.

[13] Cash equivalents may include any cheque, bank draft, cashier order or bank transfer, etc.

regarded as having been made by traders at the time when they give refund instructions to the relevant payment service providers.

Charges for Services Already Consumed

4.7 It is noted that traders are prohibited from supplying services during the cooling-off period in some jurisdictions. While this arrangement may reduce possible disputes arising from the refund amount, some consumers may prefer receiving services immediately after making payment, instead of having to wait until the cooling-off period is over. In light of this, to ensure consumers' freedom to enjoy the paid services will not be restricted, we **propose** that traders may accept payment and supply services during the cooling-off period. Correspondingly, if consumers have received services prior to contract cancellation, we **propose** that traders may deduct a charge in respect of the services already rendered from the amount to be refunded. To avoid the situation of traders charging excessive "per-service" price to disincentivise consumers to exercise their right in contract cancellation during the cooling-off period as well as significantly reducing the amount required to be refunded, we **propose** that the charges for the services already consumed should make reference to the unit price calculated on a pro-rata basis of the total amount of transaction. In view of various pre-payment options available in the market (e.g. charging by session/ quantity or charging different prices depending on the service types), we are mindful that at the time of concluding the contracts, the unit price for the services already consumed cannot always be calculated on a pro-rata basis under all circumstances. For instance, instead of purchasing a single type of beauty or fitness service, some consumers may purchase store credits that can be used for various combinations of beauty or fitness services. Since each type of service is charged at different prices, the respective amount will only be deducted from the store credits based on the actual service type upon consumption. We **propose**, only in such situation, that the deductible amount be based on the actual price of the services already used, instead of being calculated on a pro-rata basis.

4.8 As a common marketing tactic, traders may offer discounts for a package containing multiple services, with their pro-rata unit price lower than that for purchasing a single service. In this case, if a consumer has consumed relevant services during the cooling-off period but subsequently exercised his right of contract cancellation and requested for a refund, it may be unfair to require the trader to charge the pro-rata unit price or the price for the services already consumed (usually at a discounted price) as set out in paragraph 4.7. If the above circumstance is applicable, we **propose** allowing traders to charge the services already consumed at the marked price prior to any discounts for a single service, subject to a cap of 150% of the pro-rata unit price or the price for the services already consumed as mentioned above. We also **propose** that the charges for services consumed should be set out in the information note, such that consumers will clearly understand the fees that they need to bear when the contracts are cancelled, while avoiding disputes at the same time.

Administrative Fees

4.9 Currently, traders need to pay a fee when using non-cash payment methods (such as credit cards) to the payment service providers as administrative fees for processing the transactions. The level of administrative fees charged by payment service providers to traders varies from one to the other. Nevertheless, generally speaking, the rate will be higher if the consumer pays by an instalment payment plan (IPP) via a credit card as compared to that of a one-off payment. Traders may also incur other administrative costs such as staff costs in preparing the contracts and processing refunds. Hence, it is reasonable to allow traders to deduct an administrative fee from the refund amount for transactions made by non-cash means through payment service providers. In view of the prevailing market situation, if the consumer makes a one-off payment via non-cash means, we **propose** allowing the trader to deduct an administrative fee of up to 2% of the transaction value, and up to 5% if the consumer pays by non-cash IPP. For payments other than those made through a payment service provider such as in cash, traders are not allowed to deduct any administrative fees.

4.10 As set out in paragraph 4.4, the information note should set out, among others, the charges that consumer needs to bear for services already consumed during the cooling-off period as well as the administrative fees. We **propose** disallowing traders to deduct the charges for services already consumed and administrative fees from the refund amount, if such information is found missing or an information note was not provided to consumers by traders.

Ancillary Contracts

4.11 An ancillary contract refers to a contract entered into between the consumer and the trader or a third party arranged through the trader for the provision of goods or services that are related to the main contract, including a contract for credit card IPP. With reference to the practices of other jurisdictions, we **propose** rendering the ancillary contracts void, should the main contracts be cancelled within the cooling-off period. Operationally, traders shall be responsible for informing the relevant third parties that the ancillary contracts are void.

Redress Mechanism

4.12 We **propose** adopting a multi-pronged approach with a mixture of civil and criminal sanctions to provide a comprehensive redress mechanism to consumers. The principle is to cater for consumers who wish to receive monetary compensation only and are not keen to get involved in C&ED's investigations, while at the same time imposing sufficient deterrence by specifying the legal consequences of non-compliance. In view of the above considerations, we **propose** the following arrangements –

(a) to encourage consumers, through publicity and public education, to first seek the Council's help to conciliate disputes with traders;

(b) to create a statutory right to enable consumers to take civil actions to recover losses or claim damages arising from traders' failure to

make refunds upon contracts cancellation; and

(c) to empower the Commissioner of Customs and Excise to conduct investigations and issue enforcement notices to direct traders to remedy or desist from any recurrence, if he is satisfied that the traders have contravened the requirement to provide the information note and relevant information, or the model cancellation form and/or the refund. If a trader disagrees with the enforcement notice, he may appeal to the Administrative Appeals Board.

We **propose** that in case of contravention of an enforcement notice, the trader will be liable to a maximum fine at level 6 (i.e. $100,000) on first conviction, and a maximum fine at $200,000 for each subsequent conviction. In the case of a continuing offence (i.e. no remedial action is taken), a further daily fine of $1,000 may be imposed.

The above arrangements would encourage conciliation between consumers and traders to resolve disputes, provide traders with opportunities at different stages to remedy and comply with the requirements, and facilitate the prompt intervention of enforcement agency to deter non-compliance in cases of persistent violations.

Advice Sought

4.13 Please provide your views on the following questions –

(a) Do you agree that the contract amount should be used as the regulatory threshold of the statutory cooling-off period? If so, the applicable threshold should be:
   (i) $3,000 or above;
   (ii) $8,000 or above; or
   (iii) $15,000 or above?

(b) Do you agree with the duration of the proposed statutory cooling-off period and refund period?

(c) Do you agree with the other proposed operational arrangements for the statutory cooling-off period?

CHAPTER 5 PROPOSED OPERATIONAL ARRANGEMENTS FOR THE STATUTORY LIMIT ON CONTRACT DURATION AND OTHER RESTRICTIONS

Applicable to All Types of Pre-paid Consumer Contracts for Beauty and Fitness Services

5.1 It is noted that consumers entering into contracts with long duration or those without expiry dates will generally commit larger sum of pre-payments. The objective of imposing a statutory limit on contract duration and other restrictions is to prevent consumers from making pre-payments that are too large in amount and to lower their risks of pre-payment mode of consumption, thereby reducing consumers' potential financial losses. We **propose** that the statutory limit on contract duration and other restrictions be applicable to all types of beauty and fitness services contracts, including fixed sessions, top-up balance, etc.

Limit on Contract Duration

5.2 The limit on contract duration imposed by other jurisdictions ranges from one to three years, with details set out in **Appendix 3**. Of the WAP complaints received by C&ED, discounting those cases on the business closure of the large chain fitness and beauty group in 2024, only less than 20% of beauty and fitness services contracts exceeded the duration of two years. On balance, we **propose** setting the limit on contract duration as two years, which could prevent consumers from unnecessary financial burden and provide a useful indicator for consumers to evaluate whether the pre-payment amount is reasonable, while minimising the impact on the majority of contracts bearing relatively more reasonable durations. Along the above considerations, we also **propose** that traders be prohibited from entering into contracts with consumers that are of indeterminate duration (i.e. no expiry date). If a trader and a consumer reach mutual consensus in writing, an extension of the contract beyond two years, for a maximum period of six months, is permissible.

Other Contract Restrictions

5.3 As unveiled by the incident of the sudden business closure of the large chain fitness and beauty group, in order to make consumers purchase more pre-paid services, some traders will persuade consumers to enter into contracts well before they come into effect after a period of time. As far as beauty and fitness services are concerned, we consider there is no need for consumers to enter into contracts and make pre-payments long in advance of confirming whether they have an actual need for those services. To minimise consumers' exposure to pre-payment risks, we **propose** prohibiting traders from entering into a contract with consumers that takes effect later than three months after the contract is entered into.

5.4 In addition to the above proposed limit on contract duration, we see the need to prevent possible circumvention, including traders convincing consumers to sign consecutive contracts covering the same services. Moreover, the use of high-pressure or persuasion selling tactics by traders to convince consumers to enter into new contracts well ahead of the expiry of the existing contracts is not uncommon. In this regard, we **propose** that if a trader has already entered into a contract with a consumer, the trader will be prohibited from entering into a new contract with that consumer for the same services that are covered by the existing contract, unless one of the following conditions is met –

(a) the existing contract is due to expire in less than three months;
(b) the relevant services set out in the existing contract are used up; or
(c) the remaining balance in the existing contract is insufficient for the consumer to receive a single service.

In determining whether the services covered in the new contract are the same as those in the existing contract, some relevant considerations include but do not limit to location of the services, number of participants (e.g. private class versus group class), purposes and expected outcome of the services, the

machines/ equipment essential for delivery of services and level of difficulty (e.g. beginner fitness class versus intermediate fitness class).

5.5 Similar to the proposed statutory cooling-off period in Chapter 4, we **propose** that, apart from the scenario that allows extension of the contract duration as mentioned in paragraph 5.2 above, the statutory limit on contract duration and other contract restrictions could not be waived.

Proposed Penalty

5.6 To deter non-compliant behaviours and ensure enforcement actions may be taken when necessary, we **propose** to create new offences for the contravention of the limit on contract duration and other contract restrictions as set out in paragraphs 5.2 to 5.4 above. Traders contravening the statutory limit on contract duration and other restrictions would constitute an offence, thereby resulting in a penalty upon conviction. We **propose** that traders committing the above offences would be liable to a maximum fine at level 6 (i.e. $100,000) for first conviction and a maximum fine of $200,000 for each subsequent conviction. Upon conviction, we also **propose** that the main contract in relation to the offence and the ancillary contracts would become void automatically. As with the arrangements under the proposed statutory cooling-off period, traders should, upon conviction, inform the relevant third parties that the ancillary contracts are void automatically.

5.7 Given that the main contract and ancillary contracts shall become void upon conviction of the trader, we **propose** empowering the Court to order the trader to pay a reasonable amount of compensation to any person (likely the relevant consumer) who has suffered financial loss resulting from the offence committed by the trader. When applying for a compensation order and submitting the compensation amount to the Court for consideration, the prosecutors would take various factors into account, including but not limited to the transaction value and the services already consumed. Ultimately, the compensation amount that is required to be paid by the trader is at the complete discretion of the Court. We **propose** that the amount of

compensation ordered by the Court be recoverable as a civil debt to provide consumers with the right to seek redress.

Advice Sought

5.8 Please provide your views on the following questions –

(a) Do you agree with the proposed limit on the duration of beauty and fitness services contracts?

(b) Do you agree with the other proposed restrictions imposed on the beauty and fitness services contracts?

(c) Do you agree with the other proposed operational arrangements for the statutory limit on contract duration and other restrictions?

CHAPTER 6 PROPOSED INCLUSION OF SECTION 13I OF TRADE DESCRIPTIONS ORDINANCE INTO SCHEDULE 1 TO ORGANIZED AND SERIOUS CRIMES ORDINANCE

6.1 As mentioned in Chapter 2 above, C&ED conducts investigation on sudden business closure incidents suspected of involving criminal elements pursuant to Section 13I of the TDO in relation to the offence of WAP, including investigating the operating condition, capital flow, and any atypical promotional activity of the trader before announcing the shutdown of business. In order to conduct investigation and gather evidence effectively, C&ED needs to examine a large volume of internal financial and sales records of the traders concerned, and gain a thorough understanding of their financial positions before the shutdown and as of the latest situation. However, there are certain limitations on C&ED's investigation under the TDO. For instance, the TDO does not empower C&ED to apply for a restraint order from the Court to prohibit any person from dealing with a relevant property in order to prevent any circumvention of investigation or transfer of assets. To this end, in order to enhance C&ED's investigatory power in respect of cases of WAP, we **propose** including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the OSCO as a "specified offence". It is noted that Schedule 1 to the OSCO includes other "specified offences", including offences in respect of infringement of trade mark rights and import or export of goods bearing forged trade mark as prescribed in the TDO. The proposal is considered proportionate to the severity and nature of WAP, with the statutory penalty of which being identical to the above trade-mark-related offences under the TDO, i.e. a maximum fine of $500,000 and imprisonment for 5 years if convicted on indictment.

6.2 With the inclusion of Section 13I of the TDO into Schedule 1 to the OSCO, the Customs and Excise officers may invoke the following statutory powers when investigating WAP cases -

(a) Production Order

In accordance with Section 4 of the OSCO, for the purpose of an investigation into the proceeds of a specified offence, the Secretary for Justice or an "authorized officer" (including any member of the Customs and Excise Service established by Section 3 of the Customs and Excise Service Ordinance (Cap.342)) may make an *ex parte* application to the Court of First Instance for an order to require a person to produce or to grant access to material specified in the order which is likely to be relevant to the investigation.

(b) Confiscation of Crime Proceeds

In accordance with Section 8 of the OSCO, the Court of First Instance or the District Court may, upon the application of the prosecution, make a confiscation order to recover proceeds of offences if they are at least $100,000 in total.

(c) Restraint Order and Charging Order on Crime Proceeds

In accordance with Section 15 of the OSCO, the Court of First Instance may issue a restraint order to prohibit any person from dealing with any realisable property, subject to such conditions and exceptions specified in the order. In accordance with Section 16 of the OSCO, the Court of First Instance may also make a charging order on realisable property for securing the payment of money to the Government.

(d) Enhanced Sentencing

Section 27 of the OSCO enables the prosecution to furnish information to the court regarding the prevalence of the offence, its financial rewards to the defendant, the nature and extent of its impact on the community and the victim(s), and its connection with the activities of a triad society. Having regard to the information, the Court of First Instance or the

District Court may pass an enhanced sentence which is subject to the statutory maximum penalty for the offence in question.

The proposal for including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the OSCO will confer additional investigatory and enforcement powers to C&ED, which can allow cases involving the offence of WAP be handled more effectively and enhance the deterrent effect on unscrupulous traders.

Advice Sought

6.3 Please provide your views on the following question –

(a) Do you agree with the proposal of including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the OSCO?

CHAPTER 7 CONCLUSION

7.1 This paper sets out the Government's policy proposals to enhance the protection of consumers, including the framework for implementing a statutory cooling-off period and statutory limit on contract duration and other restrictions on beauty and fitness services contracts and the inclusion of Section 13I of the TDO into Schedule 1 to the OSCO. We believe that the proposals would be conducive to addressing risks of pre-payment mode of consumption and improper selling tactics including ACP and persuasion selling tactics, as well as conferring additional powers to C&ED to conduct its investigations and enforcement duties more effectively.

7.2 In summary, we **propose** stipulating the statutory cooling-off period and statutory limit on contract duration and other restrictions for the following types of pre-paid consumer contracts -

(a) Contracts for beauty services[14] provided at or to be provided at beauty parlours[15]; and

(b) Contracts for fitness services[16] provided at or to be provided at fitness centres[17].

However, premises that only provide one single type of fitness service and beauty or fitness services provided at specific premises[18] will be exempted.

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[14] Beauty services include various chemical, mechanical or energetic procedures for beautifying purpose, cosmetic surgery, nail treatment services, massage services, hair loss improvement services, etc.

[15] Including premises, where one or more beauty services are provided, except those exempted as set out in paragraph 3.9.

[16] Fitness services include the provision of exercise machines for use, provision of training on improving physical fitness and body-building and weight control.

[17] Including premises, where more than one fitness services are provided, except those exempted as set out in paragraph 3.9.

[18] Including premises managed by the Government, the Hospital Authority and its subsidiary (including public hospitals/clinics), the Board of Governors of the Prince Philip Dental Hospital, schools and education institutions, charitable organisations, national sports associations, and in clubhouses on private recreational leases, hotels and residential properties.

7.3 For the statutory cooling-off period, the proposed operational features are summarised as follows–

Monetary Threshold

(1) To set up a regulatory threshold based on the contract amount. The proposed thresholds for consideration include (i)$3,000 or above; (ii)$8,000 or above; or (iii)$15,000 or above.

Cooling-off Period and Refund Period

(2) Seven-calendar-day cooling-off period with 14-calendar-day refund period.

Traders to Provide Information Note and Model Cancellation Notice

(3) A trader should provide a consumer with an information note containing relevant information before entering into a contract, along with a model cancellation notice.

(4) Failure to comply with the requirement to provide the information note and relevant information and the model cancellation notice would result in the cooling-off period being extended to, at maximum, six months after the contract is entered into.

Exercise of the Cooling-off Right

(5) Any mutual agreement between a consumer and a trader to curtail the cooling-off period, or waive, restrict or modify the statutory right of the consumer to cancel the contract, shall have no legal effect.

(6) A consumer may use the model cancellation notice provided in the future legislation or use the cancellation notice in any other format to inform traders of their decision of contract cancellation, provided that

there is sufficient information for identifying the contract purported to be cancelled and their decision to cancel the contract is clearly stated. The model cancellation notice will be regarded as having been delivered to the traders upon its issuance, thereby the traders must make refunds to consumers in accordance with the requirement of cooling-off period. Nevertheless, the burden to prove that the notice has been issued rests with the consumer. Hence, it is advisable to issue to traders the cancellation notice using a method that could record the date on which the notice is issued.

Refund Arrangement

(7) The refund should be made by the same means of payment as that used by the consumer when entering into the contract or in cash or cash equivalents[19].

(8) A trader may deduct a charge for the services consumed by the consumer during the cooling-off period. The charge for the services should make reference to the unit price calculated on a pro-rata basis of the total amount of transaction, or is equivalent to the actual price of the services already consumed. If consumers have purchased the services at a discounted price, the deductible charge may be based on the marked price prior to any discounts for a single service, subject to a cap of 150% of the unit price calculated on a pro-rata basis or actual price of the services already consumed as mentioned above. Relevant charge must be set out in the information note.

(9) A trader may deduct an administrative fee if a consumer uses a non-cash payment method. The amount of administrative fee will be up to 2% of the non-cash transaction amount for one-off payment, and up to 5% of the non-cash transaction amount if transaction is settled by IPP.

[19] See footnote 13.

(10) Traders, who do not provide to consumers the information note required in (3) under paragraph 7.3 above, or the information about the charge for the services already consumed and the administrative fee, will not be eligible to deduct the charge for services already consumed and the related administrative fee from the refund amount.

(11) All ancillary contracts shall become void automatically upon cancellation of the main contract during the cooling-off period.

Redress Mechanism and Enforcement

(12) A consumer could initiate civil action to recover losses or claim damages arising from a trader's failure to make refunds upon contract cancellation.

(13) Consumers will be encouraged, through publicity and public education, to approach the Council for assisting in conciliation.

(14) The Commissioner of Customs and Excise may investigate cases of non-compliance, and, if he is satisfied that a trader has contravened the requirement to provide the information note and relevant information, or the model cancellation notice and/or the refund, he may issue an enforcement notice to the trader to require him to remedy the contravention or desist from any recurrence.

(15) If a trader disagrees with the enforcement notice, he may appeal to the Administrative Appeals Board. Non-compliance with the enforcement notice is a criminal offence and liable to a fine.

(16) Upon conviction of the criminal offence in (15) under paragraph 7.3 above, the trader will be liable to a maximum fine at level 6 (i.e. $100,000) on first conviction, and a maximum fine at $200,000 for each subsequent conviction. In the case of a continuing offence (i.e. no remedial action is taken), a further daily fine of $1,000 may be

imposed.

7.4 For the statutory limit on contract duration and other restrictions, the proposed operational features are summarised as follows–

(1) The statutory limit on contract duration and other restrictions are applicable to all types of beauty and fitness services pre-paid consumer contracts, including but not limited to fixed sessions, top-up balance, etc.

Limit on contract duration

(2) The limit on contract duration is two years. A trader will be prohibited from entering into a contract with consumer with indeterminate duration (i.e. no expiry date).

(3) An extension of the contract beyond two years, for a maximum period of six months, is permissible with the mutual consent of a trader and a consumer in writing.

Other contract restrictions

(4) A trader will be prohibited from entering into a contract with a consumer that commences later than three months after the contract is entered into.

(5) If a trader has already entered into a contract with a consumer, the trader will be prohibited from entering into a new contract with that consumer for the same services[20] that are covered by the existing contract, unless one of the following conditions is met –

(a) the existing contract is due to expire in less than three months;
(b) the relevant services set out in the existing contract are used up; or

[20] See paragraph 5.4.

(c) the remaining balance in the existing contract is insufficient for the consumer to receive a single service.

(6) The statutory limit on contract duration and other contract restrictions could not be waived, except the scenario that allows extension as mentioned in (3) under paragraph 7.4 above.

Proposed Penalty

(7) It will constitute an offence if a trader violates the requirements in (2), (3), (4) or (5) under paragraph 7.4 above.

(8) Upon conviction of the offence in (7) under paragraph 7.4 above, a trader will be liable to a maximum fine at level 6 ($100,000) on first conviction and a maximum fine of $200,000 on each subsequent conviction.

(9) The main contract in relation to the conviction and the ancillary contracts shall become void automatically upon conviction.

(10) The Court may order the convicted trader to pay a reasonable amount of compensation to any person who has suffered financial loss resulting from that offence.

(11) The amount of compensation is recoverable as civil debt.

7.5 We also **propose** including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the OSCO, with a view to providing additional investigatory and enforcement powers to Customs and Excise officers to follow up on relevant suspected cases.

CHAPTER 8 INVITATION FOR COMMENTS

8.1 In the light of the information set out in this public consultation paper, we welcome views from all sectors of the community on our proposals, which will be taken into account as we continue to formulate and refine the relevant legislative amendments, aiming to provide better protection to consumers.

8.2 If any individuals or organisations would like to submit their views, they may do so through any one of the following means on or before 31 August 2026 –

Mail: Division 6
Commerce and Economic Development Bureau
23/F, West Wing, Central Government Offices
2 Tim Mei Avenue, Tamar, Hong Kong
Fax: 2869 4420
Email: TDO-review@cedb.gov.hk

8.3 To facilitate the provision of views on our proposals, please make reference to the response form at **Annex**. This public consultation paper can also be downloaded from CEDB's website: https://www.cedb.gov.hk/en/news-and-related-information/consultation-papers.html.

8.4 We will treat all submissions received as public information, which may be reproduced and published in any form for the purposes of this consultation exercise and any directly related purposes without seeking permission of or providing acknowledgement to the respondents.

8.5 It is voluntary for any respondent to supply his or her personal data upon providing comments regarding this consultation paper. The names and background information of the respondents may be posted on the website of the CEDB, referred to in other documents published for the same

purposes, or transferred to other relevant bodies for the same purposes. If you do not wish your name and/or your background information to be disclosed, please state so when making your submission. For access to or correction of personal data contained in your submission, please write to the CEDB via the above means.

Commerce and Economic Development Bureau
June 2026

Appendix 1

Length of Cooling-off Periods in Other Jurisdictions (As of June 2026)

Jurisdiction (Contract Type)	Length of Cooling-off Period	Refund Period
Commonwealth Australia (unsolicited contract)	ten business days [Note 1]	immediately upon being notified
Australian Capital Territory, Australia (fitness services contract)	seven days	seven days
Queensland, Australia (fitness services contract)	two days	21 days
Western Australia, Australia (fitness services contract)	seven days	seven days
British Columbia, Canada (continuing (fitness) services contract)	ten days	15 days
Ontario, Canada (personal development services agreement and time-share agreement)	ten days	15 days
New York, United States (health club services contract)	three business days	ten business days
California, United States (health studio services contract)	20/ 30/ 45 days *(Depends on contract value)*	ten days
United States (door-to-door sales)	three business days	ten business days
Chinese Mainland (distance contract)	seven days	seven days
United Kingdom	14 days	14 days [Note 2]

Jurisdiction (Contract Type)	Length of Cooling-off Period	Refund Period
(distance, timeshare contract and long-term holiday product contract)		
Singapore (direct sales contract, long-term holiday product contract and time share contract)	five business days	60 days

Note 1: *Business day refers to Mondays to Fridays and does not include public holidays.*

Note 2: *Not applicable to timeshare contract and long-term holiday product contract as the law restricts pre-payment for these contracts.*

Appendix 2

List of Information to be Provided to Consumers in the Information Note

(a) Trader's identity;

(b) Trader's address and contact details (including phone and fax number, email address etc.) for consumer to serve the cancellation notice;

(c) Date on which the contract is entered into (and the end date of the cooling-off period);

(d) Service information (e.g. how many unit(s) are purchased, contract duration, etc.);

(e) Payment method;

(f) Consumer's right to cancel the contract during the cooling-off period;

(g) Cancellation means, including the provision of a model cancellation notice;

(h) Total price payable by consumer;

(i) The price that consumer needs to bear for the service(s) already consumed during cooling-off period if he cancels the contract afterwards. Under normal circumstances, the charge for the services consumed should make reference to the unit price calculated on a pro-rata basis of the total amount of transaction or is equivalent to the actual price of the services already used. If the above is discounted price, the charge may be based on the marked price prior to any discounts for a single service, subject to

a cap of 150% of the unit price calculated on pro-rata basis or the actual price of the services already used as mentioned above; and

(j) The administration fee that needs to be paid by consumer upon contract cancellation if the payment is made by non-cash means through payment service providers.

Appendix 3

Limit on Contract Duration in Other Jurisdictions (As of June 2026)

Jurisdiction (Contract Type)	Maximum Length of Contract
Australian Capital Territory, Australia (fitness services contract)	1 year or equivalent to the unexpired period of the lease
Western Australia, Australia (fitness services contract)	1 year or equivalent to the unexpired period of the lease
British Columbia, Canada (continuing (fitness) services contract)	2 years
Ontario, Canada (personal development services agreement)	1 year
California, United States (health studio services contract)	3 years
New York, United States (health club services contract)	3 years
Shanghai, Chinese Mainland (fitness services contract)	2 years or 60 sessions

Annex

Response Form
Trade Descriptions Ordinance
Public Consultation

Question 1:

Do you agree that the statutory cooling-off period and the statutory limit on contract duration and other restrictions should be imposed on beauty and fitness services contracts, and the proposed exemptions? (Please refer to Chapter 3 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 2:

Do you agree that beauty and fitness services provided in private healthcare facilities or by registered healthcare professionals should not be exempted from the statutory cooling-off period and the statutory limit on contract duration and other restrictions? (Please refer to paragraph 3.10 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 3:

Do you agree that the contract amount should be used as the regulatory threshold of the statutory cooling-off period? (Please refer to paragraph 4.1 for details)

☐ Agree ☐ Disagree ☐ Neutral

If so, the applicable threshold should be:

☐ $3,000 or above ☐ $8,000 or above ☐ $15,000 or above

Question 4:

Do you agree with the duration of the proposed statutory cooling-off period and refund period? (Please refer to paragraph 4.2 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 5:

Do you agree with the other proposed operational arrangements for the statutory cooling-off period? (Please refer to Chapter 4 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 6:

Do you agree with the proposed limit on the duration of beauty and fitness services contracts? (Please refer to paragraph 5.2 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 7:

Do you agree with the other proposed restrictions imposed on the beauty and fitness services contracts? (Please refer to paragraphs 5.3 to 5.5 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 8:

Do you agree with the other proposed operational arrangements for the statutory limit on contract duration and other restrictions? (Please refer to Chapter 5 for details)

☐ Agree ☐ Disagree ☐ Neutral

Question 9:

Do you agree with the proposal of including Section 13I of the TDO pertaining to the offence of WAP into Schedule 1 to the OSCO? (Please refer to Chapter 6 for details)

☐ Agree ☐ Disagree ☐ Neutral

Other views and suggestions:

Please submit your views through one of the following means on or before 31 August 2026 –

Mail: Division 6
Commerce and Economic Development Bureau
23/F, West Wing, Central Government Offices,
2 Tim Mei Avenue, Tamar, Hong Kong

Fax: 2869 4420

Email: TDO-review@cedb.gov.hk