

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 1101/01-02  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/4/00/2

**Bills Committee on  
Securities and Futures Bill and Banking (Amendment) Bill 2000**

**Minutes of meeting  
held on Tuesday, 11 December 2001, at 8:30 am  
in Conference Room A of the Legislative Council Building**

- Members present** : Hon SIN Chung-kai, (Chairman)  
Hon Margaret NG, (Deputy Chairman)  
Dr Hon David LI Kwok-po, GBS, JP  
Hon NG Leung-sing, JP  
Hon Bernard CHAN  
Hon Jasper TSANG Yok-sing, JP  
Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Hon Albert HO Chun-yan  
Hon Eric LI Ka-cheung, JP  
Hon James TO Kun-sun  
Hon Mrs Sophie LEUNG LAU Yau-fun, SBS, JP  
Hon Ambrose LAU Hon-chuen, GBS, JP  
Hon Abraham SHEK Lai-him, JP  
Hon Henry WU King-cheong, BBS
- Public officers attending** : Miss AU King-chi  
Deputy Secretary for Financial Services
- Ms Salina YAN  
Principal Assistant Secretary for Financial Services
- Miss Vivian LAU  
Principal Assistant Secretary for Financial Services

Mr Frank TSANG  
Assistant Secretary for Financial Services

Mr Howard YAM  
Assistant Secretary for Financial Services

Mr Gilbert MO  
Deputy Law Draftsman

Ms Phyllis KO  
Senior Assistant Law Draftsman

Ms Sherman CHAN  
Senior Assistant Law Draftsman

Mr Michael LAM  
Senior Government Counsel

Ms Beverly YAN  
Senior Government Counsel

**Attendance by  
invitation**

: Mr Mark DICKENS  
Executive Director, Supervision of Markets, Securities  
and Futures Commission

Mrs Alexa LAM  
Executive Director, Intermediaries and Investment  
Products, Securities and Futures Commission

Mr Andrew YOUNG  
Chief Counsel, Securities and Futures Commission

Mr Anthony WOOD  
Senior Counsel, Securities and Futures Commission

Mrs Mary AHERN  
Legal Consultant, Securities and Futures Commission

Mr Joe KENNY  
Consultant, Securities and Futures Commission

**Clerk in attendance**

: Ms Connie SZETO  
Chief Assistant Secretary (1)4

**Staff in attendance** : Mr LEE Yu-sung  
Senior Assistant Legal Adviser

Mr KAU Kin-wah  
Assistant Legal Adviser 6

Mr S C TSANG  
Senior Assistant Secretary (1)7

---

**I. Consideration of Committee Stage Amendments (CSA) to the Securities and Futures Bill (SFB) proposed by the Administration**

Parts XV & XVI of SFB

- |                                  |  |
|----------------------------------|--|
| (LC Paper No. CB(1) 434/01-02    | -- Marked-up version of CSA to Part XV of the English version of SFB   |
| LC Paper No. CB(1) 540/01-02(03) | -- Marked-up version of CSA to Part XV of the Chinese version of SFB   |
| LC Paper No. CB(1) 452/01-02(01) | -- Marked-up version of CSA to Part XVI of the English version of SFB  |
| LC Paper No. CB(1) 502/01-02     | -- Marked-up version of CSA to Part XVI of the Chinese version of SFB  |
| LC Paper No. CB(1) 512/01-02(04) | -- Information paper provided by the Administration on "Power to punish contempt by the Securities and Futures Appeals Tribunal -- Level of sanctions (Clauses 213(3), 366(9) & 370(1))" |
| LC Paper No. CB(1) 529/01-02(03) | -- Information paper on "Summary prosecution by the Securities and Futures Commission" relating to Part XVI of SFB   |
| LC Paper No. CB(1) 529/01-02(04) | -- Information paper on "Clause 384(8) : Making of Regulations" relating to Part XVI of SFB  |
| LC Paper No. CB(1) 525/01-02(01) | -- Update on areas of concern raised by members during discussions on SFB and follow-up actions required from the Administration (Parts XV & XVI of SFB))                                |

Action                    Members agreed that the Bills Committee would scrutinize the English version of CSA proposed by the Administration. The LegCo Legal Service Division (LSD) was requested to examine the Chinese version of CSA and follow up with the

Law Draftsmen on drafting and other technical matters. In the event that there were unresolved issues, LSD would raise them at meetings.

2. The Bills Committee deliberated (Index of proceedings attached at the **Annex**).

Admin 3. The Administration undertook to take follow-up actions in respect of SFB as follows:

- (a) to replace the reference to “成立人” by “信託成立人” under the definition of “founder of the trust” in clause 299;
- (b) to consider specifying in clause 300(4A) that particulars of exemptions granted under the clause would be available to the public in the form of an on-line record;
- (c) to review the phrase “the last notification required to be given” in clause 304(7)(b)(i);
- (d) to review if the reference to "regulations" in clause 337(1)(e) should further be clarified;
- (e) to consider whether the words "for such purposes" should be moved from the end of clause 347(1) to before sub-clause(1)(a);
- (f) to review the phrase “ceased to remain listed” in clause 369(2)(a)(i); and
- (g) to review clause 390(2) and consider whether it is necessary to give SFC the rule-making power to prescribe transactions or activities to be dealt with under the Gambling Ordinance.

4. Members agreed to consider CSA on Parts XIII, XIV & XVII of and Schedules 1, 8 and 9 to SFB proposed by the Administration at the next meeting scheduled for Friday, 14 December 2001, at 8:30 am.

## **II. Any other business**

5. There being no other business, the meeting ended at 10:45 am.

Legislative Council Secretariat

19 February 2002

**Proceedings of the meeting of the  
Bills Committee on Securities and Futures Bill and  
Banking (Amendment) Bill 2000  
on Tuesday, 11 December 2001, at 8:30 am  
in Conference Room A of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
0000-0232	Chairman	Opening remarks Clause 299 - definition on "equity derivatives"	
0233-0445	ALA6	ditto	
0446-0457	Chairman	ditto	
0458-0810	Administration	ditto	
0811-0857	ALA6	ditto	
0858-1002	Administration	ditto	
1003-1136	Chairman	ditto	
1137-1230	ALA6	Clause 299 - replacement of the term "成立人" by "信託成立人"	Admin
1231-1305	Administration	ditto	
1306-1328	Chairman	ditto	
1329-1354	Administration	ditto	
1355-1402	Chairman	ditto	
1403-1419	Dr David LI	ditto	
1420-1550	Chairman	Clause 300(4A) - exemptions granted to be available to the public in form of an on-line record	Admin
1551-1637	Administration	ditto	
1638-1742	Chairman	Clauses 301 to 303	
1743-1753	Chairman	Clause 304(7)(a) - on the words "the same as or"	
1754-1845	Administration	ditto	
1846-1854	Chairman	ditto	
1855-2022	Administration	ditto	
2023-2032	Chairman	ditto	
2033-2107	ALA6	Clause 304(7)(b)(i) - review of the phrase "the last notification required to be given"	Admin
2108-2217	Administration	ditto	
2218-2234	ALA6	ditto	
2235-2248	Administration	ditto	
2249-2320	ALA6	ditto	
2321-2423	Administration	ditto	
2424-2428	ALA6	ditto	
2429-2440	Administration	ditto	
2441-2530	Chairman	ditto	
2531-2617	ALA6	ditto	
2618-2818	Administration	ditto	
2819-2930	Chairman	Clauses 305 to 307	

<b>Time</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		Clause 308(7)(a) - on amendments to the Takeovers Code	
2931-3032	Administration	ditto	
3033-3127	Chairman	Clauses 309 to 312	
3128-3328	ALA6	Clause 313(10)(a)(iii) - on the concept of "having ceased to be interested in shares"	
3329-3532	Administration	ditto	
3533-3556	ALA6	ditto	
3557-3633	Administration	ditto	
3634-3649	Chairman	ditto	
3650-3704	ALA6	ditto	
3705-3714	Chairman	ditto	
3715-3742	ALA6	ditto	
3743-3848	Administration	ditto	
3849-3857	ALA6	ditto	
3858-3914	Administration	ditto	
3915-3945	Chairman	ditto	
3946-4017	ALA6	Clause 314(2A) - on the term "exempt custodian interest"	
4018-4219	Administration	ditto	
4220-4529	Chairman	Clauses 315 to 336	
4530-4605	ALA6	Clause 337(1)(e) - review on the use of the word "regulations"	Admin
4606-4703	Administration	ditto	
4704-4729	ALA6	ditto	
4730-4841	Administration	ditto	
4842-5038	Chairman	Clauses 338 to 346	
5039-5147	ALA6	Clause 347(1) - relocation of the words "for such purposes"	Admin
5148-5223	Administration	ditto	
5224-5234	Chairman	ditto	
5235-5340	Administration	ditto	
5341-5349	Chairman	ditto	
5350-5427	Ms Audrey EU	ditto	
5428-5505	Administration	ditto	
5506-5528	Ms Audrey EU	ditto	
5529-5533	Chairman	ditto	
5534-5627	ALA6	ditto	
5628-5711	Administration	ditto	
5712-5734	ALA6	ditto	
5735-5742	Administration	ditto	
5743-5752	ALA6	ditto	
5753-5821	Administration	ditto	
5822-5837	Chairman	ditto	
5838-5852	ALA6	ditto	
5853-10023	Administration	ditto	
10024-10434	Chairman	Clauses 348 to 368	
10435-10440	Chairman	Clause 369(2)(a)(i) - review of the	Admin

Time	Speaker	Subject(s)	Action required
		phrase "ceased to remain listed"	
10441-10455	Administration	ditto	
10456-10744	Chairman	Clauses 370 to 389	
10745-10802	Chairman	Clause 390(2)(a)(iii) - The Securities and Futures Commission (SFC)'s rule-making power to prescribe transactions or activities to be dealt with under the Gambling Ordinance (Cap.148)	Admin
10803-11136	Administration	ditto	
11137-11220	Mr TSANG Yok-sing	ditto	
11221-11459	Administration	ditto	
11500-11518	Mr TSANG Yok-sing	ditto	
11519-11857	Administration	ditto	
11858-12039	ALA6	ditto	
12040-12124	Administration	ditto	
12125-12200	Mr NG Leung-sing	ditto	
12201-12249	Administration	ditto	
12250-12301	Mr NG Leung-sing	ditto	
12302-12313	Administration	ditto	
12314-12340	Mr TSANG Yok-sing	ditto	
12341-12410	Administration	ditto	
12411-12502	Chairman	ditto	
12503-12723	Administration	ditto	
12724-12740	Mr TSANG Yok-sing	ditto	
12741-12902	Administration	ditto	
12903-12919	Chairman	ditto	
12920-12942	Administration	ditto	
12943-13025	Mr TSANG Yok-sing	ditto	
13026-13111	Administration	ditto	
13112-13332	ALA6	ditto	
13333-13344	Administration	ditto	
13345-13405	Mr TSANG Yok-sing	ditto	
13406-13554	Administration	ditto	
13555-13600	Chairman	Clause 391 Dates of future meetings & legislative timetable	

**Note:** The audio records of the above proceedings are kept at the Legislative Council Library.