

立法會
Legislative Council

LC Paper No. CB(1) 175/01-02
(These minutes have been seen
by the Administration)

Ref : CB1/BC/9/00/2

**Bills Committee on
Banking (Amendment) Bill 2001**

**Minutes of second meeting held on
Friday, 19 October 2001, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon Jasper TSANG Yok-sing, JP (Chairman)
Hon Eric LI Ka-cheung, JP
Hon NG Leung-sing, JP
Hon Bernard CHAN
Hon SIN Chung-kai
Hon Henry WU King-cheong, BBS
- Members absent** : Dr Hon David LI Kwok-po, GBS, JP
Hon Ambrose LAU Hon-chuen, GBS, JP
- Public officers attending** : Financial Services Bureau

Miss Clara TANG
Principal Assistant Secretary (Banking and Monetary)

Ms Kinnie WONG
Assistant Secretary (Banking and Monetary)

Hong Kong Monetary Authority

Mr David CARSE
Deputy Chief Executive (Banking)

Mr Edmond LAU

Head (Banking Development)

Department of Justice

Mr Geoffrey FOX
Senior Assistant Law Draftsman

Miss Stella CHAN
Government Counsel

Clerk in attendance : Miss Becky YU
Chief Assistant Secretary (1)1

Staff in attendance : Mr KAU Kin-wah
Assistant Legal Adviser 6

Mrs Mary TANG
Senior Assistant Secretary (1)2

I Confirmation of minutes of meeting
(LC Paper No. CB(1) 1776/00-01)

The minutes of the meeting held on 27 June 2001 were confirmed.

II Meeting with the Administration
(The Bill)

The Legislative Council Brief (Ref: G4/16/21C)

LC Paper No. LS 76/00-01 -- Legal Service Division report

LC Paper No. LS 89/00-01 -- Legal Service Division further report

LC Paper No. CB(1) 78/01-02(01) -- Marked-up copy of the Bill

LC Paper No. CB(1) 78/01-02(02) -- Extracts from the minutes of the meeting of the Financial Affairs Panel held on 4 December 2000

LC Paper No. CB(1) 78/01-02(03) -- Information paper provided by the Administration)

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

3. The Administration was requested -
 - (a) to provide the different options which the Administration had considered in ensuring the fitness and properness of managers of authorized institutions (AIs);
 - (b) to advise the basis upon which the decision to withdraw the approval requirement for appointment of managers was arrived at;
 - (c) to explain the difference between the current proposal and the prevailing mechanism in ensuring the fitness and properness of managers and the liability of the chief executives and directors of AIs in the event of frauds committed by their managers; and
 - (d) to advise whether similar regulatory frameworks on advertisements for deposits issued through new technological means, in particular the internet, exist in overseas countries, including the United Kingdom and the United States..

4. There being no other business, the meeting ended at 12:45 pm.

Legislative Council Secretariat
31 October 2001

Annex A

**Proceedings of the meeting of the
Bills Committee on Banking (Amendment) Bill 2001
on Friday, 19 October 2001, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time	Speaker	Subject(s)	Action required
00:01 - 02:24	Chairman	Confirmation of minutes of meeting	
02:25 - 15:08	Administration	Explanation of proposed amendments	
15:09 - 16:50	Mr Henry WU	Concept of "local office"	
16:51 - 19:15	Administration	Concept of "local office"	
19:16 - 19:20	Chairman	Concept of "local office"	
19:21 - 20:24	Administration	Concept of "local office"	
20:25 - 20:26	Chairman	Concept of "local office"	
20:27 - 21:37	Administration	Concept of "local office"	
21:38 - 21:45	Chairman	Concept of "local office"	
21:46 - 22:35	Administration	Concept of "local office"	
22:36 - 22:37	Chairman	Concept of "local office"	
22:38 - 24:37	Mr Henry WU	Concept of "local office"	
24:38 - 25:05	Chairman	Concept of "local office"	
25:06 - 25:57	Mr Henry WU	Concept of "local office"	
25:58 - 26:10	Chairman	Concept of "local office"	
26:11 - 28:42	Administration	Concept of "local office"	
28:43 - 29:39	Chairman	Concept of "local office"	
29:40 - 31:19	Mr Henry WU	Internet advertisement for deposits and the "target at" approach to regulation	

31:20 - 35:00	Administration	Internet advertisement for deposits and the “target at” approach to regulation	
35:01 - 35:50	Mr Henry WU	Internet advertisement for deposits and the “target at” approach to regulation	
35:51 - 35:52	Chairman	Internet advertisement for deposits and the “target at” approach to regulation	
35:53 - 36:21	Mr Henry WU	Internet advertisement for deposits and the “target at” approach to regulation	
36:22 - 39:31	Administration	Regulatory framework for internet advertisement in overseas jurisdictions	
39:32 - 40:46	Mr Henry WU	Regulatory framework for internet advertisement in overseas jurisdictions	
40:47 - 40:48	Chairman	Regulatory framework for internet advertisement in overseas jurisdictions	
40:49 - 41:39	Administration	Regulatory framework for internet advertisement in overseas jurisdictions	
41:40 - 42:01	Mr Henry WU	Regulatory framework for internet advertisement in overseas jurisdictions	
42:02 - 42:28	Chairman	Regulatory framework for internet advertisement in overseas jurisdictions	The Admin to provide information
42:29 - 44:27	Mr Henry WU	Regulatory framework for internet advertisement in overseas jurisdictions	

44:28 - 44:29	Chairman	Regulatory framework for internet advertisement in overseas jurisdictions	
44:30 - 45:36	Mr Henry WU	Definition of manager	
45:37 - 45:38	Chairman	Definition of manager	
45:39 - 49:06	Administration	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	
49:07 - 49:18	Chairman	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	
49:19 - 49:37	Administration	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	
49:38 - 49:41	Chairman	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	
49:42 - 50:11	Mr Henry WU	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	
50:12 - 50:13	Chairman	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	

50:14 - 50:39	Administration	System of appointment of responsible officers/managers under the Securities and Futures Bill and the Banking (Amendment) Bill 2001	
50:40 - 51:10	Mr Henry WU	Difference between consent and approval	
51:11 - 52:11	Mr SIN Chung-kai	Difference between consent and approval	
52:12 - 52:13	Chairman	Difference between consent and approval	
52:14 - 53:17	Administration	Difference between consent and approval	
53:18 - 53:34	Chairman	Difference between consent and approval	
53:35 - 54:28	Mr Henry WU	Fitness and properness of managers	
54:29 - 54:30	Chairman	Fitness and properness of managers	
54:31 - 57:34	Administration	Fitness and properness of managers	
57:35 - 01:01:01	Mr Henry WU	Fitness and properness of managers	
01:01:02 - 01:06:08	Administration	Fitness and properness of managers	
01:06:09 - 01:06:22	Chairman	Fitness and properness of managers	
01:06:23 - 01:07:25	Mr Henry WU	The different options of verifying the appointment of managers	
01:07:26 - 01:07:27	Chairman	The different options of verifying the appointment of managers	

01:07:28 - 01:07:38	Administration	The different options of verifying the appointment of managers	The Admin to provide information
01:07:39 - 01:10:39	Mr SIN Chung-kai	Monitoring mechanism of Hong Kong Monetary Authority (HKMA) and Securities and Futures Commission (SFC)	
01:10:40 - 01:13:00	Administration	Monitoring mechanism of HKMA and SFC	
01:13:01 - 01:14:47	Mr SIN Chung-kai	Support for enhancement of professionalism rather than increased regulation	
01:14:48 - 01:14:49	Chairman	Support for enhancement of professionalism rather than increased regulation	
01:14:50 - 01:15:35	Mr SIN Chung-kai	Support for enhancement of professionalism rather than increased regulation	
01:15:36 - 01:18:59	Mr Eric LI	Regulatory mechanism for accountants	
01:19:00 - 01:19:08	Chairman	Regulatory mechanism for accountants	
01:19:09 - 01:20:18	Mr Henry WU	Liability of chief executives and directors of authorized institutions in the event of frauds committed by managers appointed by them	
01:20:19 - 01:22:49	Administration	Liability of chief executives and directors of authorized institutions in the event of frauds committed by managers appointed by them	
01:22:50 - 01:25:38	Mr Henry WU	Liability of chief executives and directors of authorized institutions in the event of frauds committed by managers appointed by them	

01:25:39 - 01:25:53	Chairman	Liability of chief executives and directors of authorized institutions in the event of frauds committed by managers appointed by them	
01:25:54 - 01:26:51	Mr Henry WU	Liability of chief executives and directors of authorized institutions in the event of frauds committed by managers appointed by them	
01:26:52 - 01:32:34	Administration	Liability of chief executives and directors of authorized institutions in the event of frauds committed by managers appointed by them	
01:32:35 - 01:34:37	Mr Bernard CHAN	HKMA's regulatory role	
01:34:38 - 01:37:34	Administration	HKMA's regulatory role	
01:37:35 - 01:40:06	Mr Henry WU	Rationale for withdrawing the approval requirement for appointment of managers	
01:40:07 - 01:40:08	Chairman	Rationale for withdrawing the approval requirement for appointment of managers	
01:40:09 - 01:47:10	Administration	Background to the proposed amendments; outcome of consultation with banks; and provision of guidelines on the appointment of managers	
01:47:11 - 01:50:45	Mr Eric LI	Support for the Bill	
01:50:46 - 01:50:47	Chairman	Rationale for withdrawing the approval requirement for appointment of managers	
01:50:48 - 01:52:39	Mr Henry WU	Rationale for withdrawing the approval requirement for appointment of managers	
01:52:40 - 01:53:45	Mr SIN Chung-kai	Concern about over-regulation	

01:53:46 - 01:54:16	Chairman	Request for Admin to advise the basis upon which the decision to withdraw the approval for appointment was arrived at and explain the difference between the current proposal and the prevailing mechanism in the appointment of managers	The Admin to provide information
01:54:17 - 01:56:24	Administration	Explanation on proposed mechanism of appointment of managers	
01:56:25 - 01:57:00	Chairman	Date of next meeting	

Note: The audio records of the above proceedings are kept at the LegCo Library

Legislative Council Secretariat
31 October 2001