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**Paper for the House Committee meeting
on 19 January 2001**

**Proposed overseas duty visit to London and New York by
Bills Committee on
Securities and Futures Bill and Banking (Amendment) Bill 2000**

Purpose

This paper seeks members' support for an overseas duty visit to London and New York (and possibly to Washington D.C.) to be conducted by the Bills Committee on Securities and Futures Bill and Banking (Amendment) Bill 2000 in April 2001.

Background

2. The Bills Committee was formed on 8 December 2000 to study the Securities and Futures Bill and the Banking (Amendment) Bill 2000 which were introduced to the Legislative Council on 29 November 2000. The former is a composite bill to consolidate ten existing ordinances to consolidate and modernize the legislative provisions relating to the regulation of the securities and futures market. The purpose of the latter bill is to enhance the regulatory functions of the Hong Kong Monetary Authority in relation to the securities business conducted by banking institutions.

3. In view of the far-reaching impact of the bills on Hong Kong's development into a first class international financial centre, the Bills Committee has decided that an overseas duty visit primarily to London and New York, the two most leading financial centres in the world, should be conducted. The main purpose of this visit is to enhance members' understanding of the securities and futures related regulatory framework and the legislative reforms taking place in these economies. The Bills Committee will also take this opportunity to understand, for example, the concerns raised in relation to the Financial Services and Markets Act which will come into operation later this year in the United Kingdom, when the legislation was considered at the Treasury Committee of the

House of Commons. To ensure that the proposals contained in the two bills will provide an effective and efficient regulatory framework for Hong Kong to meet the new demands arising from the globalization of the securities and futures market, the Bills Committee also considers it important to meet the regulatory bodies and major market players in these cities and share their experiences.

Arrangements for the proposed visit

Timing of the visit

4. The Bills Committee notes that the Panel on Financial Affairs is now making preparations for a visit to London and New York from 4 to 13 April 2001. Members consider that the Bills Committee should conduct the visit jointly with the Panel, so as to achieve the most efficient use of resources. As the emphases of the Panel and the Bills Committee are different, part of the programme will also differ. In this regard, two separate programmes will be drawn up in parallel, with some parts of the programmes being the same, for example, visits to the regulatory bodies.

Participants of the visit

5. Eight members of the Bills Committee have indicated interest in participating in the proposed visit, as given in **Appendix I**. Six of these members have overlapped with those who wish to take part in the Panel visit. The Bills Committee is aware that a subcommittee of the House Committee is currently conducting a review of the membership of overseas visits of committees. Whilst the decision on the membership of this overseas visit is dependent on the outcome of this review, the Bills Committee proposes that preparations for this overseas duty visit should commence.

6. The estimate of the expenses to be incurred for each participant is given in **Appendix II**.

Advice sought

7. Members are invited to endorse the recommendations of the Bills Committee in paragraphs 4 and 5 above.

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

Proposed overseas duty visit to London and New York

**List of members who have indicated interest
in participating in the visit**

* Hon SIN Chung-kai (Chairman)

Hon Margaret NG (Deputy Chairman)

* Hon Albert HO Chun-yan

* Hon Eric LI Ka-cheung, JP

* Hon James TO Kun-sun

* Hon Bernard CHAN

Hon Abraham SHEK Lai-him, JP

* Hon Henry WU King-cheong, BBS

* Members who have expressed interest in participating in the overseas visit of the Financial Affairs Panel

Appendix II

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

Breakdown of the cost per member for the overseas duty visit to London and New York

| <u>Items</u> | <u>Estimated Amount</u> (HK\$)/person |
|---|--|
| 1. Air passage (business class) - Special round the world fare | 38,000 |
| 2. Hotel accommodation | 18,000 |
| 3. Overseas subsistence allowance | 8,000 |
| 4. Travel insurance | 400 |
| 5. Airport tax | 700 |
| 6. Local transportation | 7,700 |
| 7. Miscellaneous | 1,000 |
| Total | 73,800 |
| | <hr/> |
| Say, | 74,000 |

(Note: Other expenditure including cost for staff member(s) and expenses on souvenirs will be charged against other votes of the Secretariat.)