

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 1896/01-02

Ref : CB1/HS/1/01

**Paper for the  
Subcommittee on draft subsidiary legislation to be made under  
the Securities and Futures Ordinance**

**Meeting on 6 June 2002**

**Submission of the Subcommittee's report to the House Committee**

**Purpose**

This paper seeks members' views on the arrangements for the Subcommittee on draft subsidiary legislation to be made under the Securities and Futures Ordinance (the Subcommittee) to report its deliberations to the House Committee.

**Background**

2. The Subcommittee was formed under the House Committee at the meeting on 22 February 2002 tasked to study the some 38 sets of draft subsidiary legislation to be made under the Securities and Futures Ordinance (SFO) for its commencement. The SFO was passed by the Legislative Council (the Council) on 13 March 2002. The Administration's target is to bring the SFO into operation by end 2002.

3. According to the work plan of the Subcommittee endorsed at the meeting on 28 March 2002, the Administration will submit the draft subsidiary legislation in four batches for scrutiny of the Subcommittee at meetings to be held at the end of April and May, in July and September 2002. The grouping of draft subsidiary legislation in each batch and the meeting schedules of the Subcommittee will be adjusted in the light of progress made in drafting, public consultation and deliberations by members.

4. Three sets of draft subsidiary legislation were deliberated at the Subcommittee's meeting on 29 April 2002. At the same meeting, the Subcommittee agreed as a general principle that following the completion of

scrutiny, the draft subsidiary legislation would be revised and circulated to members. It was only where members raised further issues therein that the Chairman of the Subcommittee would decide whether the revised drafts should be re-visited at meetings. Subject to any further views which Members may have on the revised drafts, the subsidiary legislation will be made by the relevant authority, gazetted and tabled before the Council in the normal manner.

### **Proposed arrangements for reporting to the House Committee during the summer break**

5. The Administration advises that it is Government's target to introduce the subsidiary legislation for negative vetting of the Council in batches and bring them into effect upon the commencement of the SFO, i.e. by end 2002. This approach is considered practical having regard to the number of subsidiary legislation concerned. It also facilitates the making of codes and guidelines by the SFC as necessary for the implementation of the Ordinance. The Administration will make sure that the subsidiary legislation gazetted in batches will be self-contained and the nature and content of individual legislation in each batch will not conflict with those of other batches yet to be considered by the Subcommittee.

6. The last meeting of the House Committee in the current session will be held on 28 June 2002. The Subcommittee would then have deliberated 18 sets of draft subsidiary legislation (i.e. three sets at its meetings in April and 15 sets in June). Having regard to the lead time required by the Administration and the SFC to prepare the revised draft subsidiary legislation, the Subcommittee may not be able to report its deliberations on these subsidiary legislation at that House Committee meeting. The Administration or the SFC may gazette the scrutinized draft subsidiary legislation during the summer break. The gazetted subsidiary legislation will be tabled at the second Council meeting in October 2002. The subsidiary legislation will be subject to the normal 28 + 21 days' scrutiny period.

7. In order to tie-in with the above plan of the Administration, it is proposed that interim reports be submitted to the House Committee upon completion of scrutiny of draft subsidiary legislation in batches. For those subsidiary legislation which would be gazetted in summer prior to the House Committee's first meeting in the new session, written report(s) would be issued to members of the House Committee during the summer recess, and considered at the earliest opportunity after the commencement of the new session together with the Legal Service Division's legal service report(s) on the gazetted subsidiary legislation.

**Advice sought**

8. Members are invited to endorse the proposed arrangements in paragraphs 5 to 7 above.

Council Business Division 1  
Legislative Council Secretariat  
31 May 2002