

**For discussion
on 9 April 2002**

**Legislative Council Sub-committee
on the Resolution of the Board of Directors
of the Po Leung Kuk**

INTRODUCTION

This paper sets out the background to the Resolution of the Board of Directors of the Po Leung Kuk (L.N. 36 of 2002) which was tabled at the Legislative Council sitting on 15 March 2002 for negative vetting. The purpose of the Resolution is to enable the Po Leung Kuk to undertake charitable work outside Hong Kong with the prior approval of the Secretary for Home Affairs.

BACKGROUND

2. The Po Leung Kuk was established in 1878 under the Po Leung Kuk Incorporation Ordinance. This Ordinance was repealed and replaced by the Po Leung Kuk Ordinance (Cap. 1040) in 1973. The mission of the Kuk is “to protect the young and the innocent” (保赤安良). Since its establishment, the Po Leung Kuk has initiated a wide range of social services to meet the needs of the community.

3. Over the years, the Kuk has gradually developed into a major charitable organization in Hong Kong with a network of 169 service units.

For the 2001/02 financial year, the recurrent expenditure of the Po Leung Kuk was around \$1.6 billion. Its income comes mainly from Government subvention, fees and charges, donations and income from its property and other investments.

4. A series of major natural disasters in the Mainland in late 1990s (e.g. the earthquake in Hu Pei Province in 1997 and floods along the Yangtze River in 1998) has prompted discussion in the Po Leung Kuk about the provision of assistance to the needy elsewhere, particularly the Mainland. It is however unclear from the objects stipulated in the Schedule to the Po Leung Kuk Ordinance whether the Kuk is empowered to undertake charitable work outside Hong Kong. As the undertaking of charitable and relief work by a charitable organization such as the Po Leung Kuk involves members of the public, legislative amendment is considered necessary to put the issue beyond doubt.

THE RESOLUTION

5. On 28 February 2002, the Board of Directors of the Po Leung Kuk resolved to add the following to its objects (in the Schedule to the Po Leung Kuk Ordinance) –

“(ea) to undertake charitable work outside Hong Kong with the prior approval of the Secretary for Home Affairs”.

The resolution was published in the Gazette on 15 March 2002.

6. When granting approval to the Po Leung Kuk to undertake charitable work outside Hong Kong, the Secretary for Home Affairs will consider the merits of each proposal submitted by the Kuk according to the following guiding principles -

- (a) the charitable work to be undertaken outside Hong Kong should have the general support of the Hong Kong community;
- (b) where the charitable work involves donations and fundraising activities, the donors should be clearly informed of the purpose beforehand; and
- (c) the existing funds of the Kuk should not be diverted to finance the charitable work outside Hong Kong unless explicit instructions are given by the donors concerned.

IMPLEMENTATION

7. The Resolution came into effect on the date of the publication in the Gazette, i.e. 15 March 2002. To allow time for negative vetting by the Legislative Council, we have notified the Kuk that the Secretary for Home Affairs will not give approval for any proposed charitable work outside Hong Kong until the Council has concluded its scrutiny of the Resolution. The Kuk has, in turn, undertaken not to initiate any charitable activity outside Hong Kong during this period.

PRECEDENT CASE

8. The Tung Wah Group of Hospitals has a similar provision in its Tung Wah Group of Hospitals Ordinance (Cap. 1051). The provision (paragraph 1(i) of the Schedule) reads as follows:

“to undertake other charitable work among Chinese outside Hong Kong with the approval of the Secretary for Home Affairs”

Home Affairs Bureau

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