

**Extract of the minutes of the
Bills Committee on Broadcasting Bill meeting on 6 May 2002**

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Action Clause 20 - Restrictions on persons not regarded as fit and proper

Admin 46. Mr Andrew CHENG asked about the criteria for assessing whether a licensee remained a fit and proper person for the purpose of the Bill. DS(ITB)(Ag) responded that the criteria for the fit and proper test were laid down in clause 20(3). In making the assessment, BA would consider the applicant's previous records, especially those concerning trust and candour. SALD added that as the applicant would be a company, the consideration factors would be related to the company concerned. At the request of Miss Emily LAU, SALD agreed to provide more information to illustrate the fit and proper test.

47. Mr Andrew CHENG sought clarification as to whether the licensee had the responsibility to inform BA about changes in the business records under clause 20(2). Miss Emily LAU also asked whether a notification mechanism would be put in place for the purpose.

48. DS(ITB)(Ag) said that the licensee should report to BA changes which might have implications on the "fit and proper" test. SALD added that BA could specify the frequency for a licensee to update its information in the specified form under clause 20(2). He said that clause 40 of the Bill empowered BA to specify forms for the purpose of the Bill. A licensee was required to make a statutory declaration on the information provided. Provision of false information would be a criminal offence.

Admin 49. At the suggestion of Mr Andrew CHENG, DS(ITB)(Ag) agreed to consider making it a statutory requirement under clause 20 for the licensees to report any changes in the business records.

50. Miss Emily LAU asked about the arrangement if an existing licensee did not satisfy the fit and proper test proposed in the Bill. DS(ITB)(Ag) advised that under section 4(4) of Schedule 8 (Transitional and Savings Provisions), a person who was lawfully exercising control of a corporation holding a licence before enactment of the Bill could continue to exercise control of the corporation, subject to the restriction that he could not increase the interest he had in that corporation in his capacity.