

立法會
Legislative Council

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(These minutes have been
cleared with the Chairman)

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Legislative Council
Panel on Financial Affairs

Minutes of meeting held on
Thursday, 10 October 2002 at 4:20 pm
in Conference Room B of the Legislative Council Building

- Members present** : Hon Ambrose LAU Hon-chuen, GBS, JP (Chairman)
Hon Henry WU King-cheong, BBS, JP (Deputy Chairman)
Hon James TIEN Pei-chun, GBS, JP
Hon Albert HO Chun-yan
Hon LEE Cheuk-yan
Hon Eric LI Ka-cheung, JP
Hon NG Leung-sing, JP
Hon James TO Kun-sun
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon SIN Chung-kai
Dr Hon Philip WONG Yu-hong
Hon Emily LAU Wai-hing, JP
Hon Abraham SHEK Lai-him, JP
Hon MA Fung-kwok, JP
- Members absent** : Hon Kenneth TING Woo-shou, JP
Dr Hon David LI Kwok-po, GBS, JP
Hon Jasper TSANG Yok-sing, GBS, JP
- Clerk in attendance** : Ms Anita SIT
Chief Assistant Secretary (1)6
- Staff in attendance** : Mr Andy LAU
Assistant Secretary General 1 (Acting)

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Ms Rosalind MA
Senior Assistant Secretary (1)9

Miss Christy YAU
Legislative Assistant 7

I Election of Chairman and Deputy Chairman

Mr Ambrose LAU, Chairman of the Panel for the 2001-2002 session, presided over the election of the Chairman of the Panel for the 2002-2003 session. Mr LAU invited nominations for the chairmanship.

2. Mr Ambrose LAU was nominated by Dr Philip WONG and seconded by Mr Bernard CHAN. Mr LAU accepted the nomination. As Mr Ambrose LAU was nominated, Mr Henry WU, Deputy Chairman of the Panel for the 2001-2002 session, took over the chair. There being no other nomination, Mr Ambrose LAU was declared elected Chairman of the Panel for the 2002-2003 session.

3. Mr Ambrose LAU took over the chair and invited nominations for the deputy chairmanship for the Panel.

4. Mr Henry WU was nominated by Dr Philip WONG and seconded by Mr CHAN Kam-lam. Mr WU accepted the nomination. There being no other nomination, Mr Henry WU was declared elected Deputy Chairman of the Panel for the 2002-2003 session.

II Schedule of meetings for 2002-2003 session

5. Members agreed that regular meetings of the Panel for the 2002-2003 session would be held on the first Monday of each month at 10:45 am. Members noted that the first Monday of February 2003 would be a public holiday, and agreed that the regular meeting for that month would be scheduled at a later time.

III Discussion items for coming meetings

Meeting on 4 November 2002

6. Members agreed that the following items be discussed at the regular Panel meeting to be held on 4 November 2002 -

- (a) Briefing by the Chief Executive of the Hong Kong Monetary Authority;

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- (b) Private Members's Bill on the merger of Overseas Trust Bank Limited and DBS Kwong On Bank Limited with Dao Heng Bank Limited; and
- (c) Proposed amendment to the Resolution on the Land Fund made under section 29 of the Public Finance Ordinance.

Members noted that for item (b) above, Mr David LI, who would sponsor the Bill, had written to the Panel Chairman requesting for early discussion of the matter by the Panel so that the Bill might be enacted in the second quarter of 2003. Item (c) above was proposed by the Secretary for Financial Services and the Treasury vide his letter dated 10 October 2002. According to the letter, the purpose of the proposed amendment was to amend the current resolution of the Land Fund made under section 29 of the Public Finance Ordinance (Cap. 2) to allow the Government to transfer money from the Land Fund to the General Revenue Account or other Government funds to meet anticipated cashflow requirement.

Meeting on 25 October 2002

7. Referring to his letter dated 10 October 2002 to the Panel Chairman, Mr Henry WU said that the recent circumstances surrounding the Euro-Asia Agriculture (Holdings) Limited, a listed company on the Main Board of the Stocks Exchange of Hong Kong Limited, had aroused concerns about the procedures for vetting and approving companies incorporated in Mainland China and overseas jurisdictions for listing in Hong Kong, and the monitoring of compliance of these companies with the relevant listing agreements. He therefore proposed the discussion of the relevant issues at the Panel. Mr James TO supported Mr WU's suggestion. Mr Bernard CHAN said that the discussion at the Panel should not focus on a particular listed company such as the Euro-Asia Agriculture (Holdings) Limited. Mr Henry WU said that he fully concurred with Mr CHAN's view and clarified that he was mainly concerned about the relevant procedures and mechanisms as aforementioned.

8. Mr SIN Chung-kai said that in view of wide public concern about the fiscal deficit facing the Government, the Administration should brief the Panel urgently on the deficit situation, with detailed information provided including relevant figures. The information provided should enable members to have a full and clear understanding of the deficit situation and the measures the Administration would take to address the deficit problem. Mr LEE Cheuk-yan said that the Administration should also explain to the Panel the overall budgetary strategy in respect of both the revenue and expenditure aspects. This should include the Government's requirement for Directors of Bureaux to achieve a saving of 1.8% in the operating expenditure on the existing and new or improved services planned for 2003-2004, and an additional saving of 1% each year from 2004-05 to 2006-07. Mr LEE also expressed concern on whether the Administration would introduce

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new tax items. Mr James TO and Ms Emily LAU expressed support for Mr SIN's and Mr LEE's suggestions. Ms LAU also suggested that the matter should be discussed before the end of October 2002.

9. Members agreed that a special meeting be held on Friday, 25 October 2002 at 10:45 am to discuss the following items -

- (a) Procedures for vetting and approving companies incorporated in Mainland China and overseas jurisdictions for listing on the Stock Exchange of Hong Kong Limited, and the monitoring of compliance of these companies with the relevant listing agreements; and
- (b) Fiscal deficits and the budgeting of Government expenditure for years from 2003-04 to 2006-07.

(Post-meeting note: With the concurrence of the Panel Chairman, the special meeting has been rescheduled to 8:30 am on 25 October 2002. Members were informed of the arrangement vide LC Paper No. CB(1)48/02-03 dated 15 October 2002.)

Other discussion item

10. Mr Bernard CHAN said that he gathered from the insurance industry and some other Members there was increasing concern about the business environment of the local insurance industry and the difficulties encountered by some sectors of the community in obtaining insurance coverage, in particular those types of insurance coverage required to be taken out to fulfill relevant statutory requirements. Mr CHAN proposed that the Panel should discuss these issues and the Commissioner of Insurance should be requested to provide relevant information. Members agreed that the subject should be scheduled for discussion at the regular meeting to be held on 2 December 2002.

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

Legislative Council Secretariat
28 October 2002