

立法會
Legislative Council

LC Paper No. CB(1)2145/04-05
(These minutes have been seen
by the Administration)

Ref: CB1/BC/7/04

**Bills Committee on
Citibank (Hong Kong) Limited (Merger) Bill**

**Minutes of first meeting
held on Friday, 29 April 2005, at 10:45 am
in Conference Room A of the Legislative Council Building**

- Members present** : Hon James TIEN Pei-chun, GBS, JP (Chairman)
Hon Albert HO Chun-yan
Dr Hon David LI Kwok-po, GBS,JP
Hon Bernard CHAN, JP
Hon CHAN Kam-lam, JP
Hon Ronny TONG Ka-wah, SC
- Members absent** : Hon SIN Chung-kai, JP
Hon Emily LAU Wai-hing, JP
- Public officers attending** : Mr CHOI Yiu-Kwan, JP
Executive Director (Banking Supervision)
Hong Kong Monetary Authority
- Mr Nelson MAN
Head of Banking Supervision Division 1
Hong Kong Monetary Authority
- Mrs Millie NG
Principal Assistant Secretary for Financial Services
and the Treasury (Financial Services)
- Attendance by Invitation** : Citibank, N.A., Hong Kong
- Mr T.C. CHAN
Citigroup Country Officer
Hong Kong & Head of Greater China
Corporate and Investment Banking

Mrs Betty TSOI
Regional Director for Corporate Quality in
Citibank's Global Consumer Group in Asia Pacific

Allen & Overy

Mr Simon BERRY
Partner

Clerk in attendance : Ms Alice AU
Senior Council Secretary (1)5

Staff in attendance : Ms Bernice WONG
Assistant Legal Adviser 1

Mr Anthony CHU
Council Secretary (1)2

I Election of Chairman

Mr James TIEN was elected Chairman of the Bills Committee.

II Meeting with the Administration

(LC Paper No. CB(3)478/04-05
Dated 1 April 2005

- The Bill
- Legislative Council Brief on
Citibank (Hong Kong) Limited
(Merger) Bill provided by Dr Hon
David LI

LC Paper No. LS47/04-05

- Legal Service Division Report on
the Bill

LC Paper No. CB(1)103/04-05(05)

- Information note provided by
Dr Hon David LI for the meeting of
the Panel on Financial Affairs on
1 November 2004

LC Paper No. CB(1)313/04-05(02)

- Supplementary information paper
provided by Dr Hon David LI

LC Paper No. CB(1)313/04-05(03)

- Supplementary information
provided by the Administration

LC Paper No. CB(1)1409/04-05(01)

- Background brief on Citibank
(Hong Kong) Limited (Merger) Bill
prepared by the Secretariat

2. The Bills Committee deliberated (Index of proceedings attached at **Annex**).

Follow-up action to be taken by the Administration

3. At the request of the Bills Committee, the Administration agreed to report the findings of the study on a generic legislation governing bank mergers and reorganizations in Hong Kong undertaken by the Financial Services and the Treasury Bureau and the Hong Kong Monetary Authority to the Panel on Financial Affairs within the next few months.

Clause-by-clause examination of the Bill

4. Members noted that the Bill was similar to the previous bills on bank mergers and reorganizations and there were no technical and drafting problems with the Bill. The Bills Committee agreed that there was no need to examine clause by clause as members had already discussed the Bill with the Administration and the Citibank on matters of concern.

III Any other business

5. Members supported the Bill and agreed to report to the House Committee on 6 May 2005, recommending the resumption of the Second Reading debate on the Bill at the Council meeting on 25 May 2005. Members noted that the deadline for giving notice of Committee Stage amendments would be 14 May 2005.

6. There being no other business, the meeting ended at 11:50 am.

Council Business Division 1
Legislative Council Secretariat
26 July 2005

**Proceedings of the first meeting of the
Bills Committee on Citibank (Hong Kong) Limited (Merger) Bill
on Friday, 29 April 2005, at 10:45 am
in Conference Room A of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
<i>Agenda I – Election of Chairman</i>			
000100-000135	Mr James TIEN Dr David LI	Election of Chairman	
<i>Agenda II – Meeting with the Administration</i>			
000136-000311	Chairman Mr Ronny TONG	- Attendance of the meeting - Opening remarks	
000311-000525	Dr David LI	Introductory remarks on the Bill	
000526-001213	Citibank, N.A., Hong Kong (Citibank) Chairman	- Briefing on the Bill - Apart from the proposed transfer of the retail banking business from the Citibank (N.A.) in Hong Kong (Citibank HK Branch) to Citibank (Hong Kong) Limited (Citibank HK), any plan to transfer other business of Citibank HK Branch in future	
001214-002652	Mr Albert HO Chairman Administration	- Undesirable to effect bank mergers or reorganizations through Member's Bills - Generic legislation for bank mergers or reorganizations in Hong Kong	The Administration to take follow-up action under paragraph 3 of the minutes
002653-003300	Mr Ronny TONG Administration Citibank Chairman	- Whether the proposed transfer would make the banking environment in Hong Kong less competitive - Whether the rights of the consumers were sufficiently protected - Any adverse impact on Hong Kong arising from the proposed transfer	

Time Marker	Speaker	Subject(s)	Action Required
003301-003846	Mr Bernard CHAN Dr David LI Chairman Administration	<ul style="list-style-type: none"> - The Panel on Financial Affairs to follow up on the need for a generic legislation on bank mergers or reorganizations - Ring-fence of the Citibank HK's operations from those of the remainder of the Citibank group - Measures in case that Citibank HK ran into financial difficulty 	
003847-004835	Mr Albert HO Chairman Citibank	<ul style="list-style-type: none"> - The definition and handling of dormant accounts - Bank guarantee and performance bonds to third party as part of the retail banking business - Potential liability in litigations involving Citibank (HK) Branch 	
004836-005539	Mr Albert HO Chairman Administration Citibank Mr CHAN Kam-lam	<ul style="list-style-type: none"> - Whether the effective day for the proposed transfer needed to be approved by the Hong Kong Monetary Authority (HKMA) - The injection of additional capital into Citibank HK should be completed before the effective day of the proposed transfer in order to comply with the capital adequacy requirement for locally incorporated banks 	
005540-005900	Mr Albert HO Chairman Citibank	The impact of the proposed transfer on the staff currently employed by Citibank HK Branch	
005901-010409	Mr Albert HO Chairman Administration Citibank Mr Ronny TONG	<ul style="list-style-type: none"> - Role of Administration and HKMA in bank mergers and reorganizations under a new framework - Whether any party could sue Citibank in the United States for Citibank HK's transactions in Hong Kong 	

Time Marker	Speaker	Subject(s)	Action Required
010410-010710	Chairman Mr CHAN Kam-lam ALA1	Need to examine the Bill clause by clause	
010711-010809	Chairman	Submission of report to the House Committee and resumption of Second Reading debate on the Bill	

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