

For consideration

**Bills Committee on
Financial Reporting Council Bill**

Proposed Work Plan

Purpose

In response to Members' request at the first meeting of the Bills Committee held on 19 July 2005, this paper sets out the proposed work plan for the Bills Committee's scrutiny of the Financial Reporting Council Bill (the Bill).

Proposed Work Plan

2. The Bill contains six parts and six schedules. To facilitate the examination by the Bills Committee, we have, as set out in the table below, grouped the relevant parts and schedules under five components and estimated the number of meetings required for the examination of each component.

| Component | Major Issues | Estimated Number of Meetings |
|-----------|--|------------------------------|
| 1 | <p>Establishment of the Financial Reporting Council (FRC)</p> <ul style="list-style-type: none"> ● Part 1 (Preliminary); ● Part 2 (Establishment, composition, functions, powers, and checks and balances of the FRC); ● Schedule 2 (Other provisions relating to the FRC and its members); and ● Schedule 3 (Other provisions relating to the Chief Executive Officer of the FRC). | 2 |

| Component | Major Issues | Estimated Number of Meetings |
|-----------|--|------------------------------|
| 2 | <p>Audit Investigation Board (AIB)</p> <ul style="list-style-type: none"> ● Part 1 (Clause 4 – “Relevant irregularity”); ● Part 3 (Composition of the AIB; scope of the investigation; investigation powers; referral of cases, etc.); and ● Schedule 4 (Provisions relating to the AIB and its Members). | 2 |
| 3 | <p>Financial Reporting Review Panel (FRRP) and Financial Reporting Review Committee (FRRC)</p> <ul style="list-style-type: none"> ● Part 1 (Clause 5 – “Relevant non-compliance”); ● Part 4 (Composition of the FRRP and a FRRC; enquiry powers; voluntary and mandatory revision of relevant financial reports, etc.); ● Schedule 1 (Scope of the enquiry of non-compliances - definitions of “relevant financial report” and “relevant requirement”); ● Schedule 5 (Other provisions relating to the FRRP and its members); and ● Schedule 6 (Other provisions relating to a FRRC and its members). | 2 |
| 4 | <p>Miscellaneous matters</p> <ul style="list-style-type: none"> ● Part 5 (Preservation of secrecy, avoidance of conflict of interests, immunity, etc.) | 1 |

| Component | Major Issues | Estimated Number of Meetings |
|--|---|-------------------------------------|
| 5 | Consequential and related amendments, and any other outstanding matters <ul style="list-style-type: none"> • Part 6 | 1 |
| Clause-by-clause examination of the Bill | | 3 |
| Examination of the draft Committee Stage Amendments | | 2 |
| Overall Review | | 1 |
| Total: | | 14 |

3. Having regard to the length and the complexity of the Bill, the Administration aims to provide, before the deliberation of each component as grouped above, a paper to set out the major proposals for that component.

4. As regards any comments of the deputations, the Administration proposes to provide, at the third meeting scheduled for 7 October 2005, an overall response to the major points raised by the deputations with which the Bills Committee will meet at the second meeting scheduled for 27 September 2005.

5. Subject to the views of Members, it is our tentative target that the Bills Committee will complete the scrutiny of the Bill by June 2006 with a view to resuming the second reading debate in July 2006 (i.e. before the close of the 2005/06 session).

Advice Sought

6. Members are invited to consider the proposed work plan set out above.

Financial Services and the Treasury Bureau September 2005