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UNITED NATIONS SANCTIONS BILL

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, I move the Second Reading of the United Nations Sanctions Bill. In the event that the Hong Kong Special Administrative Region (SAR) for reasons of security or external relations needs to implement sanctions, it will become a responsibility of the Central People's Government, that is, our sovereign state. To enable our sovereign state to discharge its international duties, it is necessary to carry out sanctions of the United Nations. This is conducive to upholding the reputation of Hong Kong as a reliable trading and financial centre and preventing certain countries from attempting to use Hong Kong as a channel to supply goods, services and finance to regions, or parties related to such regions, specified by the resolutions of the United Nations Security Council (UNSC) against which sanctions are imposed.

The SAR has no local laws pursuant to which it may execute UNSC sanctions. In the past, Hong Kong executed numerous sanctions resolved by the UNSC through orders of the Privy Council, but these orders have ceased to have effect as from the midnight of 30 June 1997. Article 48(8) of the Basic Law requires the Chief Executive of the SAR to implement the directives issued by the Central People's Government in respect of the relevant matters provided for in the Basic Law. Such matters include United Nations sanctions, which are part of foreign affairs.

However, even though the Chief Executive must execute the directives concerning United Nations sanctions, the directives do not empower the Chief Executive to give legal effect to the sanctions by way of announcement. Therefore, we must make local laws to facilitate the execution of United Nations sanctions. We have obtained consent from the Central People's Government to make laws to empower the Chief Executive to lay down regulations after obtaining directives from the Ministry of Foreign Affairs of the Central People's Government. This will enable the SAR to implement United Nations sanctions directed under Chapter 7 of the United Nations Charter against regions outside the People's Republic of China.

Madam President, I would like to draw Members' attention to clause 3(5) of the Bill. Even if the Bill is passed, regulations made under the Bill will not be submitted to this Council for passive scrutiny. We have adopted such an

unusual move because United Nations sanctions fall into external affairs. Under the Basic Law, the SAR has no autonomy over foreign affairs but it may engage in connected matters with authorization from the Central People's Government. For this reason, the proposed arrangements must ensure that the implementation of sanctions and the nature and scope of sanctions continue to be decided by the Central People's Government. The SAR Government will be responsible for implementing sanctions in Hong Kong. I can assure Members that the arrangements will not set a precedent for matters over which the SAR has autonomy under the Basic Law.

The Chief Executive has recently received directives from the Central People's Government to devise measures to implement several sanctions specified by the United Nations. Hence, after the passage of the Bill at this meeting and the holding of consultation between the Chief Executive and the Central People's Government, we would enact regulations as soon as possible in order to put the directives into practice.

Madam President, to avoid a legal vacuum, we must minimize as far as possible the gap arising from the period during which the measures to impose United Nations sanctions have been superseded and new measures have not yet been implemented. The Central People's Government has also expressed that this is its wish. Failing that, some people may use Hong Kong to carry out activities that go against or circumvent United Nations sanctions. This will make our sovereign state breach its duties under international covenants and damage the reputation of Hong Kong as a responsible financial and trading centre. Just as what I have explained earlier, the Bill serves as a legislative tool to enable the directives issued by the Central People's Government within its jurisdiction to take effect. I trust Members will co-operate with the Government by passing the Bill without delay.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the United Nations Sanctions Bill be read the Second time. In accordance with Rule 54(4) of the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee. Secretary for Security.

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