

Panel on Financial Affairs

List of outstanding items for discussion

(Position as at 5 May 2005)

**Proposed timing for
discussion at Panel
meeting**

1. Overall economic development of Hong Kong

The Panel has invited the Financial Secretary (FS) to brief the Panel and all other LegCo Members on macro economic issues on a periodic basis since mid-1999. The briefings are normally held in June and December each year.

6 June 2005

As agreed at the Panel meeting on 4 April 2005, FS has been invited to discuss with members on the use of the accumulated surplus of the Exchange Fund at the meeting to be held on 6 June 2005.

2. Proposal to revise fees and charges for services not directly affecting people's livelihood under the purview of the Treasury Branch

The Administration will consult the Panel on proposals relating to the revision of fees and charges which do not directly affect people's livelihood or general business activities.

6 June 2005

Some of the fee/charge revision proposals will require legislative amendments. The Administration will carefully consider Members' views in determining whether and when the fees should be revised and when the necessary legislative amendments will be presented to LegCo.

Proposed timing for discussion at Panel meeting

3. Proposal to write off a judgement debt

The Administration will consult the Panel on a proposal to write off a judgement debt which cannot be recovered. The debt arose from the failure of a contracted auctioneer to pay to Government the proceeds from previous auctions of surplus government stores and confiscated goods. A High Court judgement was obtained by Government in 1999 for recovery of the debt. Meanwhile, however, the auctioneer has gone into bankruptcy. While the liquidation process has yet to be fully concluded, the Official Receiver has advised that it is unlikely that any dividends would be paid. The Administration therefore considers that the debt has become irrecoverable and should be written off. The total amount, inclusive of legal costs and interest calculated up to 24 June 2005, is \$16.8 million.

6 June 2005

The Administration plans to seek approval from the Finance Committee for writing off the debt at the latter's meeting on 24 June 2005.

4. Briefing on the draft Companies (Amendment) Bill 2005

The Administration will brief members on the proposed amendments to the Companies Ordinance (CO) to enable the introduction of a scripless securities market so as to allow securities to be issued and transferred electronically.

To be confirmed

The Administration plans to introduce the Companies (Amendment) Bill 2005 into LegCo in the 2004-05 session.

5. Consultancy study on the feasibility of establishing insurance Policyholders' Protection Funds in Hong Kong

The Administration will update the Panel on the results of the public consultation and latest developments on the proposal to establish insurance Policyholders' Protection Funds in Hong Kong.

To be confirmed

Proposed timing for discussion at Panel meeting

6. Progress on the implementation of the Deposit Protection Scheme

The Administration will report on the progress in relation to the implementation of the Deposit Protection Scheme, including the formation of the Hong Kong Deposit Protection Board and the Deposit Protection Appeals Tribunal, as well as the development of the policies and procedures relating to contribution and payout, etc.

To be confirmed

7. Consultancy study on the supervisory framework of the assets of long term insurers in Hong Kong

The Administration will brief the Panel on the background, initial findings of the consultancy study and the proposed timetable for public consultation on the study.

To be confirmed

8. Comprehensive review of the Companies Ordinance

At the request of the Panel, the Administration briefed members at the Panel meeting on 5 July 2004 on the progress of the overall review of the CO and the timeframe for the rewrite exercise. Members noted that the Administration intended to commence work in 2005 and issue the White Bill for consultation in 2007. It was expected that the new legislation might be in place in 2010. Members agreed that the Panel should continue to monitor progress of the rewrite exercise.

4 July 2005
(tentative)

The Administration will report on the progress of the overall review on the CO. The Administration plans to submit the financial proposal relating to the review exercise to the Establishment Subcommittee and the Finance Committee in due course.

Proposed timing for discussion at Panel meeting

9. Proposed measures to address risks arising from securities margin financing

At the Panel meeting held on 17 December 2004, SFC reported on the progress of the public consultation on proposed measures to address risk arising from securities margin financing. Members noted that SFC would continue discussions with the brokerage industry to identify appropriate measures to address the risks involved. Members requested the Administration and SFC to report the progress to the Panel in a year's time. The progress report should cover the proposed concrete timetable for achieving complete segregation of collateral of borrowing and non-borrowing clients.

To be confirmed