

Panel on Financial Affairs

List of outstanding items for discussion

(Position as at 3 June 2005)

**Proposed timing for
discussion at Panel
meeting**

1. 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 Companies Ordinance (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

The Administration will report on the plan to take forward the rewrite of the CO. The Administration intends to submit the financial proposals relating to the review exercise to the Establishment Subcommittee and the Finance Committee in due course.

2. Proposed introduction of a new category of “travel insurance agents”

To encourage Hong Kong people to buy travel insurance before they travel abroad, the Office of the Commissioner of Insurance proposes to introduce a new category of "travel insurance agents" to facilitate travel agents to be registered as insurance agents for the sale of travel insurance.

4 July 2005

The Administration will brief the Panel on the details of the proposal, its background, the responses from the insurance and travel industries to the proposal, and the proposed timetable for the implementation.

Proposed timing for discussion at Panel meeting

As agreed at the Panel meeting on 6 May 2005, a joint meeting of the Panel on Financial Affairs and the Panel on Economic Services will be arranged for discussing the subject.

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

The Administration will brief members on the proposed amendments to the 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.

4. 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

5. 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

An information paper on the subject was issued vide LC Paper No. CB(1)1666/04-05(01) on 31 May 2005.

Proposed timing for discussion at Panel meeting

6. 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

7. 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

8. New Mechanism to effect bank mergers

The Bills Committee on Citibank (Hong Kong) Limited (Merger) Bill, during scrutiny of the Bill in May 2005, has examined the need for the Administration to formulate a generic legislation governing bank mergers and reorganizations in Hong Kong. The Administration has noted the concern raised by the Bills Committee, and advised that the matter is being studied in consultation with the banking industry. The Administration has then undertaken to report the findings of the study to the Panel within the next few months. As directed by the Chairman, the Administration is invited to report the findings of its study to the Panel before the end of 2005.

To be confirmed