

LegCo Panel on Financial Affairs

List of follow-up actions arising from discussions in previous sessions
(Position as at 3 June 2005)

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
1. Reinsurance cover for employee compensation insurance policies	20 December 2001	The Administration was requested to provide written reports, on a quarterly basis, on the up-to-date market situation of reinsurance coverage for terrorist activities on treaty arrangements and the Administration's assessment of the continued need for the \$10 billion facility as approved by Finance Committee on 11 January 2002.	The twelfth quarterly report provided by the Administration was circulated to members vide LC Paper No. CB(1)1288/04-05(01) on 15 April 2005.
2. Loan Guarantee Scheme for Severe Acute Respiratory Syndrome Impacted Industries	Referred by the Finance Committee at its meeting held on 25 April 2003	The Administration undertook to report the operation of the Scheme to the Panel one year after its implementation, and to submit progress report at six month intervals thereafter.	The third report on the operation of the Scheme was circulated to members vide LC Paper No. CB(1)1420/04-05(01) on 29 April 2005.
3. Proposal of re-structuring	3 January 2005	The Administration was requested to report to the	Information awaited.

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
the filing fees for non-Hong Kong companies		Panel in due course on the situation about non-Hong Kong companies' compliance with the new requirement for them to file a full annual return. The report should include, inter alia, the statistics on compliance, non-compliance and late returns, enforcement actions taken/to be taken (if any), and measures proposed by the Administration to improve the situation.	
4. Briefing on the work of the Hong Kong Monetary Authority (HKMA)	6 May 2005	HKMA was requested to provide information on its current strength.	The information provided by HKMA was circulated to members vide LC Paper No. CB(1)1492/04-05(01) on 10 May 2005.
5. Consultation conclusions on legislative proposals to establish the Financial Reporting Council (FRC)	6 May 2005	I. Noting that the function of FRC was purely investigatory and that it might, upon completion of the investigation, refer a case of auditors' irregularities to the Hong Kong Institute of Certified Public Accountants (HKICPA) for disciplinary actions or to the law enforcement bodies for criminal investigation, a member was concerned that the investigation reports of FRC were not connected with the subsequent "prosecution" work of HKICPA or the law enforcement bodies. As a result, HKICPA or the law	Administration's response awaited.

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
		<p>enforcement bodies might have to conduct its own investigation to collect the required evidence and use the investigation reports of FRC as a reference only. This would result in duplication of efforts and wastage of resources. The Administration was requested to explore, in consultation with HKICPA, how the concern could be addressed. Two possible options suggested by the member were outlined as follows -</p> <ul style="list-style-type: none"><li data-bbox="904 767 1637 842">(a) To empower FRC to undertake “prosecution” after investigation; or<li data-bbox="904 890 1637 1125">(b) To put in place a mechanism for HKICPA or the law enforcement body to set out the suspected irregularities, including stating all possible offences of an auditor, for FRC to undertake investigation to collect the relevant evidence. <p>II. Members noted that one of the respondents to the consultation had requested its name not to be disclosed (item 25 in Annex A to LC Paper No. CB(1)1312/04-05(07)). In this connection, the Administration was requested to take the following actions:</p>	

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
		<p>(a) To confirm whether the respondent had also requested its views not to be disclosed and whether its views had been incorporated in the summary of written submissions provided by the Administration (Annex B to LC Paper No. CB(1)1312/04-05(07)); and</p> <p>(b) In the event that some respondents to a public consultation exercise requested their names and views not to be disclosed, to consider how the situation should be handled so that the public would have a full picture of the views collected during consultation and know whether the Administration had taken on board the views.</p>	