

Panel on Financial Affairs

List of outstanding items for discussion

(Position as at 30 June 2005)

Proposed timing for discussion at Panel meeting

1. 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.

2. 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

3. 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

4. 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

To be confirmed

Proposed timing for discussion at Panel meeting

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.

5. 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