

**LegCo Panel on Financial Affairs
Meeting on 1 November 2004**

List of follow-up actions

Briefing on the work of the Hong Kong Monetary Authority

1. Given that the Hong Kong Monetary Authority (HKMA) has requested the authorized institutions (AIs) to undertake a comprehensive review of the terms and conditions for banking services relating to safe deposit box service by 15 November 2004 and those relating to other banking services by 15 January 2005, and that HKMA would then review AIs' findings, please provide information on the outcome of HKMA's review in due course.

Briefing on the draft Citibank (Hong Kong) Limited (Merger) Bill

2. Supplementary information to be provided by Dr Hon David LI and Citibank N.A.
 - (a) Please provide the reasons for the proposed transfer of the activities, assets and liabilities which constitute the retail banking business of Citibank N.A. in Hong Kong, currently operated through a branch in Hong Kong (Citibank, Hong Kong Branch), to a wholly owned subsidiary within the Citibank group of companies (Citibank (Hong Kong) Limited);
 - (b) Please confirm whether Citibank has conducted similar transfer exercises for its retail banking business in other places; if it has, please provide details of the exercises; if it has not, please provide the reasons for conducting such a transfer exercise for its retail banking business in Hong Kong;
 - (c) Please set out the impact of the proposed transfer, in particular the transfer of liabilities, on the existing customers of Citibank, Hong Kong Branch, and explain how customers' interests would be protected after the proposed transfer;

- (d) Please confirm whether the existing customers of Citibank, Hong Kong Branch have been consulted on the proposed transfer; if they have, please provide the outcome of the consultation; if they have not, please provide the reasons; and
- (e) Please confirm whether the existing staff members of Citibank, Hong Kong Branch have been consulted on the proposed transfer; if they have, please provide the outcome of the consultation; if they have not, please provide the reasons.

3. Supplementary information to be provided by the Administration

- (a) Please provide the reasons why the Administration is in support of the Bill;
- (b) Please confirm whether the reasons for the proposed transfer are compatible with Government policy; and
- (c) Please set out the impact of the proposed transfer on the capital requirements and level of supervision by HKMA on the bank concerned.