

For information**Legislative Council Panel on Financial Affairs****Proposal for Deletion of Six Directorate Civil Service Posts
in the Hong Kong Monetary Authority****Introduction**

This paper informs Members of a proposal to delete the following six directorate civil service posts in the Hong Kong Monetary Authority (HKMA):

<u>Number of Posts</u>	<u>Rank</u>
1	Commissioner of Banking (D6) (\$162,650)
2	Deputy Commissioner of Banking (D3) (\$127,900 - \$135,550)
1	Deputy Secretary (Monetary Affairs) (D3) (\$127,900 - \$135,550)
2	Assistant Commissioner of Banking (D2) (\$110,000 - \$116,800)

Background

2. The HKMA was established on 1 April 1993 through a merger of the then Office of the Exchange Fund, the Office of the Commissioner of Banking, and the Legal Unit of the then Monetary Affairs Branch. With the approval of Finance Committee (FC) vide Paper EC 1992-1993 Item 41, all civil servants of the relevant offices then, together with their posts (including 15 directorate posts and 256 non-directorate posts), were transferred to the HKMA to facilitate the initial set-up of the HKMA. A number of these civil servants subsequently opted for HKMA terms of employment. Those who opted to remain on civil service terms have been accommodated in civil service posts. Among those opting to remain on civil service

terms, 115 were members of the Bank Examiner grade (BEs). These BEs had also been assured of equal promotion opportunities, i.e. the Administration would be prepared to accommodate them in civil service posts at the higher ranks if they were selected by the HKMA for promotion.

3. Accordingly, while the majority of the posts would be deleted upon the incumbents' transfer to the HKMA terms/leaving the HKMA, some of the civil service posts vacated have been retained to ensure that capable BEs who had opted to remain on civil service terms have posts for promotion. The vacant civil service posts so retained will only be filled when necessary and fully justified on operational grounds. Also, as and when the civil service post is filled for promotion purpose, the consequential vacant civil service post at the lower rank will be frozen or deleted depending on whether it has to be retained for the purpose of providing promotion opportunities. Furthermore, only one post, either on the civil service or the HKMA's establishment, will be filled for the same operational job.

4. As of today, there are 15 vacant civil service posts in the HKMA, of which 8 are at the directorate level. The position of directorate civil service posts in the HKMA as at 1 April 2005 is at Annex 1.

Annex 1

Latest Development

5. With the gradual reduction in the number of civil servants in the HKMA over the years (Annex 2), the HKMA considers that there is scope for deleting some civil service directorate posts without significantly affecting the promotion prospects of 39 civil servants on BE grade still serving in the Authority. Taking into account the declining number of BEs in the HKMA (Annex 3), the HKMA believes that the retention of two directorate posts at Assistant Commissioner of Banking (D2) level should be sufficient for addressing the aspiration of these staff for advancement before their retirement. Accordingly, the HKMA proposes to delete six directorate posts as set out in paragraph 1, out of the eight directorate posts retained. These are vacant posts and their functional duties have already been taken up by staff under the HKMA's establishment. The BEs have been consulted of the proposal and raised no objection.

Annex 2

Annex 3

Financial Implications

6. As the posts to be deleted have already been left vacant, the proposal will carry no financial implications. In any case, there are no financial implications for General Revenue as full staff costs, including on-costs, of civil servants in the HKMA are recoverable from the HKMA.

Authority for Deletion of Directorate Civil Service Posts in HKMA

7. The creation and deletion of directorate civil service posts in the HKMA are subject to the normal civil service procedures, involving the Establishment Subcommittee (ESC) and the FC. Subject to Members' views, if any, the current proposal will be submitted to the ESC for consideration.

Hong Kong Monetary Authority
Financial Services and the Treasury Bureau
May 2005

Annex 1

Hong Kong Monetary Authority
Directorate Civil Service Establishment and Strength
(Position as at 1 April 2005)

<u>Rank</u>		<u>Establishment</u>	<u>Strength</u>	<u>Vacancy</u>	<u>No. of Post proposed for deletion</u>
Commissioner of Banking	(D6)	1	0	1	1
Deputy Commissioner of Banking	(D3)	2	0	2	2
Deputy Secretary (Monetary Affairs)	(D3)	1	0	1	1
Assistant Commissioner of Banking	(D2)	4	0	4	2
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	Total	<u>8</u>	<u>0</u>	<u>8</u>	<u>6</u>

**Changes in the civil service establishment in the HKMA
Between 2002 and 2005**

Rank (Note)	Number of Posts			
	Existing (as at 1 April 2005)	As at 1 April 2004	As at 1 April 2003	As at 1 April 2002
A	8	8	8	8
B	37	48	58	58
C	12	17	18	24
Total	57	73	84	90

Note:

- A - ranks in the directorate pay scale or equivalent
- B - non-directorate ranks the maximum pay point of which is above MPS Point 33 or equivalent
- C - non-directorate ranks the maximum pay point of which is at or below MPS Point 33 or equivalent

Annex 3

Changes in the Establishment of Bank Examiner Grade in the HKMA

	Existing (as at 1 April 2005)		As at 1 April 1993	
	Establishment	Strength	Establishment	Strength
Senior Bank Examiner	14	10	21	19
Bank Examiner	22	20*	36	32
Assistant Bank Examiner	10	9	71	64
Total	46	39	128	115

*Including 2 officers on pre-retirement leave