

Panel on Financial Affairs

List of outstanding items for discussion

(Position as at 10 October 2005)

Proposed timing for discussion at Panel meeting

1. The 2006-07 Budget consultation

The Financial Secretary (FS) proposes to conduct a briefing for LegCo Members in November 2005 to kickstart the consultation process for the 2006-07 Budget.

November 2005

2. Briefing on the work of the Hong Kong Monetary Authority

The Chief Executive of the Hong Kong Monetary Authority (CE/HKMA) briefs the Panel on the work of HKMA on a regular basis. The briefings are normally held in February, May and November each year.

November 2005
February 2006
May 2006

3. Rewrite of the Companies Ordinance

At the Panel meeting held on 5 July 2004, members were briefed on the Administration's preliminary proposal to rewrite the Companies Ordinance (CO).

November 2005

At the Panel meeting held on 4 July 2005, the Administration briefed members on the latest thinking on the possible framework for taking forward the rewrite exercise. Members noted the Administration's tentative timetable to commence the exercise in early 2006, issue the White Bill for consultation in mid-2009, and introduce the New Companies Bill into the LegCo in 2010. Members urged the Administration to ensure cost-effectiveness in implementing the exercise and critically review the need for creation of new directorate posts in finalizing the staffing requirements for the exercise.

Proposed timing for discussion at Panel meeting

The Administration proposes to brief the Panel further in November 2005 on its proposal to rewrite CO, including the timetable and staff requirements of the exercise. The Administration plans to seek the approval of the Establishment Subcommittee and the Finance Committee on the proposal at their meetings in December 2005 and January 2006 respectively.

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

At the Panel meeting held on 4 July 2005, members were briefed on the Administration’s proposal 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. Members expressed reservation on whether the proposal was the best option to achieve the policy objective of encouraging Hong Kong people to take out travel insurance before they travel. The Administration was requested to give further thought to the proposal and consider how the grave concern expressed by the insurance intermediaries could be addressed. It was agreed that the Panel would further discuss the proposal after the Administration had further consulted the insurance industry and travel industry and provided information requested by members.

To be confirmed

The Administration plans to report to the Panel in December 2005 on the results of further consultation with the insurance industry and travel industry and provide the requested information for discussion by the Panel.

5. Overall economic development of Hong Kong

The Panel has invited the FS to brief the Panel and all other LegCo Members on macro economic issues on a periodic basis since mid-1999. The briefings are normally held in June and December each year.

December 2005
June 2006

Proposed timing for discussion at Panel meeting

6. 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

7. 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

8. 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

9. Proposed measures to address risks arising from securities margin financing

At the Panel meeting held on 17 December 2004, the Securities and Futures Commission (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 (i.e. before the end of December 2005). The progress report should cover the proposed concrete timetable for achieving complete segregation of collateral of borrowing and non-borrowing clients.

To be confirmed

Proposed timing for discussion at Panel meeting

10. 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

11. Proposal to write off a judgement debt

At the Panel meeting held on 6 June 2005, members were briefed on the Administration's proposal to write off the judgement debt owed to the Government by an auctioneer hired by the former Government Supplies Department to conduct commercial disposal of unserviceable or obsolete government stores and confiscated goods. Members expressed concerns about actions taken by the Administration to recover the outstanding payments from the auctioneer and details of the Administration's internal investigation on the case including the disciplinary proceedings taken against the involving civil servants. It was agreed that the Panel would further discuss the proposal in due course after the Administration had provided the supplementary information requested by members.

To be confirmed

12. Scheme for outsourcing summary bankruptcy cases

The purpose of the Bankruptcy (Amendment) Bill 2004 is to empower the Official Receiver to outsource debtor-petition summary bankruptcy cases to private-sector insolvency practitioners. The Bills Committee on Bankruptcy (Amendment) Bill 2004 requested the Administration to review the outsourcing scheme after implementation of the

To be confirmed

**Proposed timing for
discussion at Panel
meeting**

scheme. The Secretary for Financial Services and the Treasury undertook in his speech during the resumption of the Second Reading debate on the Bill at the Council meeting on 6 July 2005 that the Administration would review the outsourcing scheme 24 months after implementation of the scheme and report the outcome of the review to the LegCo.

The Administration has been invited to report the outcome of the review to the Panel in due course.

Council Business Division 1
Legislative Council Secretariat
10 October 2005