

**Panel on Financial Affairs**

**List of outstanding items for discussion**

(Position as at 4 November 2005)

**Proposed timing for  
discussion at Panel  
meeting**

**1. Overall economic development of Hong Kong**

The Panel has invited the Financial Secretary 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

**2. 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.

December 2005

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

**Proposed timing for discussion at Panel meeting**

**3. 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.

February 2006  
May 2006

**4. Regulation of warrants trading in Hong Kong**

In view of recent public concerns about the risks associated with warrants trading in Hong Kong and the regulation of such trading activities, members agreed at the Panel meeting on 13 October 2005 that the Administration (including the Television and Entertainment Licensing Authority), Securities and Futures Commission (SFC) and the Hong Kong Exchanges and Clearing Limited should be invited to discuss the subject with the Panel. Members then noted the Administration's written replies to the two questions raised by Hon Albert CHENG on the subject in respect of the Council meeting on 19 October 2005. Members are concerned about the need for strengthening the measures for regulation of warrants trading (including regulation of media programmes on warrants trading), and measures for guarding against market manipulation and addressing potential conflict of interest.

January or February  
2006

In response to the Panel's invitation, the Administration proposes to brief the Panel on the item in January or February 2006 (LC Paper No. CB(1)196/05-06(01)).

**5. Renminbi business in Hong Kong**

Members note from the Chief Executive's 2005-2006 Policy Address that the Central Authorities have given in-principle approval to further expand Renminbi business in Hong Kong and will soon finalize arrangements and make an official announcement. At the Panel meeting on 13 October 2005, members agreed that the Administration should be invited to brief the Panel on the details as early as practicable.

To be confirmed

**Proposed timing for discussion at Panel meeting**

The Administration responds that the HKMA is prepared to brief the Panel once the announcement has been made (LC Paper No. CB(1)196/05-06(01)).

**6. Briefing on the draft Companies (Amendment) Bill 2006**

The Administration will brief members on the proposed amendments to the Companies Ordinance to enable the introduction of a scripless securities market so as to allow securities to be issued and transferred electronically.

To be confirmed

The relevant bill (i.e. the Companies (Amendment) Bill 2006) has been included in the Legislative Programme 2005-06 provided by the Administration in October 2005.

**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 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

To be confirmed

**Proposed timing for discussion at Panel meeting**

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.

**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

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**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 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.

To be confirmed

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