

立法會
Legislative Council

LC Paper No. LS28/07-08

**Paper for the House Committee Meeting
on 4 January 2008**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 28 December 2007**

Date of tabling in LegCo : 9 January 2008

Amendment to be made by : 30 January 2008 (or 27 February 2008 if extended by resolution)

**Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434)
Merchant Shipping (Limitation of Shipowners Liability) (Rate of Interest)
(Amendment) Order 2007 (L.N. 242)**

The Merchant Shipping (Limitation of Shipowners Liability) (Rate of Interest) (Amendment) Order 2007 (the Order) is made under section 19(1) of the Merchant Shipping (Limitation of Shipowners Liability) Ordinance (Cap. 434) (the Ordinance) by the Monetary Authority to prescribe the new rate of interest to be applied to limitation funds constituted under paragraph 1 of Article 11 of the Convention on Limitation of Liability for Maritime Claims, 1976 as applied by the Ordinance (the Convention).

2. Under the Convention, shipowners and salvors may limit their liability for maritime claims by constituting limitation funds. A limitation fund shall comprise the amounts set out in the Convention and interest on those amounts.

3. The Order prescribes the new rate of interest applicable on or after 28 December 2007 to be 7.45% per annum. The existing interest rate of 7.96% has been in operation since 1 September 2006.

4. Members may refer to the LegCo Brief (without file reference on it) issued by Hong Kong Monetary Authority and the Financial Services and the Treasury Bureau on 28 December 2007 for background information.

5. The Order has not been referred to the Panel on Financial Affairs for discussion.

6. No legal or drafting difficulties have been identified in relation to the subsidiary legislation.

Prepared by

LAM Ping-man, Stephen
Assistant Legal Adviser
Legislative Council Secretariat
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