

FACT SHEET

Appointment and tenure of office of the Monetary Authority in Hong Kong and the heads of central banks in selected places

1. Introduction

1.1 The purpose of this fact sheet is to provide the Panel on Financial Affairs with information on the appointment and tenure of office of the Monetary Authority in Hong Kong and the heads of central banks in Singapore, the United States, the United Kingdom and the European Union.

Table 1 – Appointment of the Monetary Authority in Hong Kong and the heads of central banks in selected places

	Hong Kong	Singapore	United States	United Kingdom	European Union
	Hong Kong Monetary Authority	Monetary Authority of Singapore	Federal Reserve System	Bank of England	European Central Bank
Relevant legislation/protocol	Exchange Fund Ordinance, Banking Ordinance, Deposit Protection Scheme Ordinance, Clearing and Settlement Systems Ordinance and other relevant Ordinances.	Monetary Authority of Singapore Act (MASA).	Title 12, United States Code, Chapter 3.	Bank of England Act 1998 (BEA).	Protocol on the Statute of the European System of Central Banks and of the European Central Bank.

Table 1 – Appointment of the Monetary Authority in Hong Kong and the heads of central banks in selected places (cont'd)

	Hong Kong	Singapore	United States	United Kingdom	European Union
	Hong Kong Monetary Authority	Monetary Authority of Singapore	Federal Reserve System	Bank of England	European Central Bank
Authority for appointing the head of the institution	Financial Secretary.	President of Singapore upon the recommendation of the Cabinet.	President of the United States with the consent of the Senate.	The Queen on the advice of the Prime Minister and the Chancellor of the Exchequer.	Common accord of the heads of states or heads of governments of countries in the European Union that have adopted the euro on the recommendation of the Council of the European Union after consulting the European Parliament and the Governing Council ¹ of the Bank.
Appointment criteria/procedures	As stipulated under the Exchange Fund Ordinance, the Financial Secretary is empowered to appoint a person to be the Monetary Authority on terms and conditions as he thinks fit.	Not specified in MASA.	The nominee must be an existing member of the Board of Governors ² . When selecting a Board member, the President of the United States is required to give due regard to a fair representation of financial, agricultural, industrial and commercial interests, as well as geographical divisions of the country. No more than one Board member can be selected from any one Federal Reserve District ³ .	Not specified in BEA. However, BEA specifies that a person is disqualified for appointment if he is a Minister of the Crown or a person serving in a government department in employment in respect of which remuneration is payable out of money provided by the Parliament. ⁴	Candidates should have recognized standing and professional experience in the monetary or banking field and should be nationals of the member states.

¹ The Governing Council is the main decision-making body of the European Central Bank which comprises the executive board of the Bank and the governors of the National Central Banks of the countries that have adopted the euro.

² The Board of Governors is the management board of the Federal Reserve System and it comprises a chairman, a vice chairman and five other members.

³ There are 12 Federal Reserve Districts in the United States.

⁴ The Treasury Committee of the House of Commons has recently established a practice of holding hearings with persons appointed to the Monetary Policy Committee of the Bank of England to enhance the transparency of the appointment process. As an ex-officio member of the Monetary Policy Committee, the Governor of the Bank of England will be invited to attend a hearing after his/her appointment to the post.

Table 2 – Tenure of office of the Monetary Authority in Hong Kong and the heads of central banks in selected places

	Hong Kong	Singapore	United States	United Kingdom	European Union
	Hong Kong Monetary Authority	Monetary Authority of Singapore	Federal Reserve System	Bank of England	European Central Bank
Tenure of office of the head of the institution	Not specified in the relevant legislation.	Not specified in MASA.	Four years.	Five years.	Eight years.
Whether the tenure of office is renewable	Not specified in the relevant legislation.	Not specified in MASA.	Yes, within the 14-year term limit as a member of the Federal Reserve Board.	Yes.	No.

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