

**立法會**  
**Legislative Council**

LC Paper No. CB(3) 167/08-09

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Tel : 2869 9205

Date : 21 November 2008

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 26 November 2008**

**Proposed amendments to motion on  
“Reforming financial regulators”**

Further to LC Paper No. CB(3) 144/08-09 issued on 13 November 2008, three Members (Hon CHAN Kam-lam, Hon Albert HO Chun-yan and Hon Miriam LAU Kin-ye) have respectively given notice of their intention to move separate amendments to Hon Ronny TONG Ka-wah’s motion on “Reforming financial regulators” scheduled for the Council meeting of 26 November 2008. As directed by the President, the respective proposed amendments will be printed in the terms in which they were handed in on the Agenda of the Council.

2. To assist Members in debating the above motion and amendments, I set out below the procedure to be followed during the debate:

- (a) Hon Ronny TONG Ka-wah moves his motion;
- (b) the President proposes the question on Hon Ronny TONG Ka-wah’s motion, and orders a joint debate;
- (c) the President calls on the three Members, who intend to move amendments, to speak in the following order, but no amendment is to be moved at this stage:
  - (i) Hon CHAN Kam-lam;
  - (ii) Hon Albert HO Chun-yan; and
  - (iii) Hon Miriam LAU Kin-ye;

- (d) the President calls upon the designated public officer(s) to speak;
- (e) joint debate on the motion and the amendments follows thereafter;
- (f) the President gives leave to Hon Ronny TONG Ka-wah to speak for the second time on the amendments;
- (g) the President calls upon the designated public officer(s) again to speak;
- (h) in accordance with Rule 34(5) of the Rules of Procedure, the President has decided that he will call upon the three Members to move their respective amendments in the order set out in paragraph (c) above. The President invites Hon CHAN Kam-lam to move his amendment to the motion, and forthwith proposes and puts to vote the question on Hon CHAN Kam-lam's amendment;
- (i) after Hon CHAN Kam-lam's amendment has been voted upon, the President deals with the other two amendments; and
- (j) after all amendments have been dealt with, the President calls upon Hon Ronny TONG Ka-wah to reply. Thereafter, the President puts to vote the question on Hon Ronny TONG Ka-wah's motion, or his motion as amended, as the case may be.

3. For Members' ease of reference, the terms of the original motion and of the motion, if amended, are set out in the **Appendix**.

( Mrs Justina LAM )  
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion debate on  
“Reforming financial regulators”  
to be held at the Legislative Council meeting  
of Wednesday, 26 November 2008**

**1. Hon Ronny TONG Ka-wah’s original motion**

“That, as presently the regulation of the financial sector and financial products is vested in a number of regulators, causing the suspicion that there are duplication and fragmentation of their regulatory roles, functions and resources, this Council urges the Government to expeditiously conduct a comprehensive review and study of the existing four major financial regulators, including the Hong Kong Monetary Authority, the Securities and Futures Commission, the Office of the Commissioner of Insurance and the Mandatory Provident Fund Schemes Authority, to ascertain if there is any need to rationalize and improve their regulatory roles, functions and resources in the regulation of the financial sector, or introduce other improvement measures, such as strengthening the regulation on the sale of financial products, so as to enhance the standards of the regulators and protect the interests of investors.”

**2. Motion as amended by Hon CHAN Kam-lam**

“That, as *under the mode of ‘two regulatory authorities for one industry’*, presently the regulation of the financial sector and financial products *in Hong Kong* is vested in a number of regulators, causing the suspicion that there are duplication and fragmentation of ~~their~~ *the* regulatory roles, functions and resources *among various regulators*, this Council urges the Government to expeditiously conduct a comprehensive review and study of the existing four major financial regulators, including the Hong Kong Monetary Authority, the Securities and Futures Commission, the Office of the Commissioner of Insurance and the Mandatory Provident Fund Schemes Authority, to ascertain if there is any need to rationalize and improve their regulatory roles, functions and resources in the regulation of the financial sector, or introduce other improvement measures, such as ~~strengthening~~ *reviewing the existing disclosure-based regulatory principle so as to strengthen* the regulation on the sale of financial products, *establishing an independent complaint mechanism for financial businesses, and empowering the regulators to instruct defaulting financial institutions to compensate their clients etc*, so as to enhance the standards of the regulators and protect the interests of investors.”

Note: Hon CHAN Kam-lam’s amendment is marked in *bold and italic type* or with deletion line.

### 3. Motion as amended by Hon Albert HO Chun-yan

“That, as *the recent spate of incidents occurring in the financial sector, including the ‘Lehman Incident’ and the ‘Citic Pacific Incident’, etc, reflect that the regulatory regime of Hong Kong’s financial system needs to be further reformed and to enhance protection for bank clients and investors, whilst* presently the regulation of the financial sector and financial products is vested in a number of regulators, causing the suspicion that there are duplication and fragmentation of their regulatory roles, functions and resources, this Council urges the Government to expeditiously conduct a comprehensive review and study of the existing four major financial regulators, including the Hong Kong Monetary Authority, the Securities and Futures Commission, the Office of the Commissioner of Insurance and the Mandatory Provident Fund Schemes Authority, to ascertain if there is any need to rationalize and improve their regulatory roles, functions and resources in the regulation of the financial sector, or introduce other improvement measures, such as strengthening the regulation on the sale of financial products, so as to enhance the standards of the regulators ~~and~~, *as well as studying the establishment of an independent financial ombudsman to provide one-stop and convenient disputes resolution service for handling disputes and compensation matters between clients and financial institutions, so as to better* protect the interests of investors.”

Note: Hon Albert HO Chun-yan’s amendment is marked in *bold and italic type* or with deletion line.

### 4. Motion as amended by Hon Miriam LAU Kin-ye

“That, as *the ‘Lehman Incident’ has revealed that* presently the regulation of the financial sector and financial products is vested in a number of regulators, causing the suspicion that there are duplication and fragmentation of their regulatory roles, functions and resources, this Council urges the Government to expeditiously conduct a comprehensive review and study of the existing four major financial regulators, including the Hong Kong Monetary Authority, the Securities and Futures Commission, the Office of the Commissioner of Insurance and the Mandatory Provident Fund Schemes Authority, to ascertain if there is any need to rationalize and improve their regulatory roles, functions and resources in the regulation of the financial sector, or introduce other improvement measures, ~~such as~~ *in particular changing the existing regulatory regime, which is ‘disclosure-based’ and ‘subjecting one industry to several regulatory authorities’, and* strengthening the regulation on the sale of financial products *as well as investment-linked insurance products*, so as to enhance the standards of the regulators *and plug the existing loopholes in the regulation of the financial sector*, and protect the interests of investors *and insuring public.*”

Note: Hon Miriam LAU Kin-ye’s amendment is marked in *bold and italic type* or with deletion line.