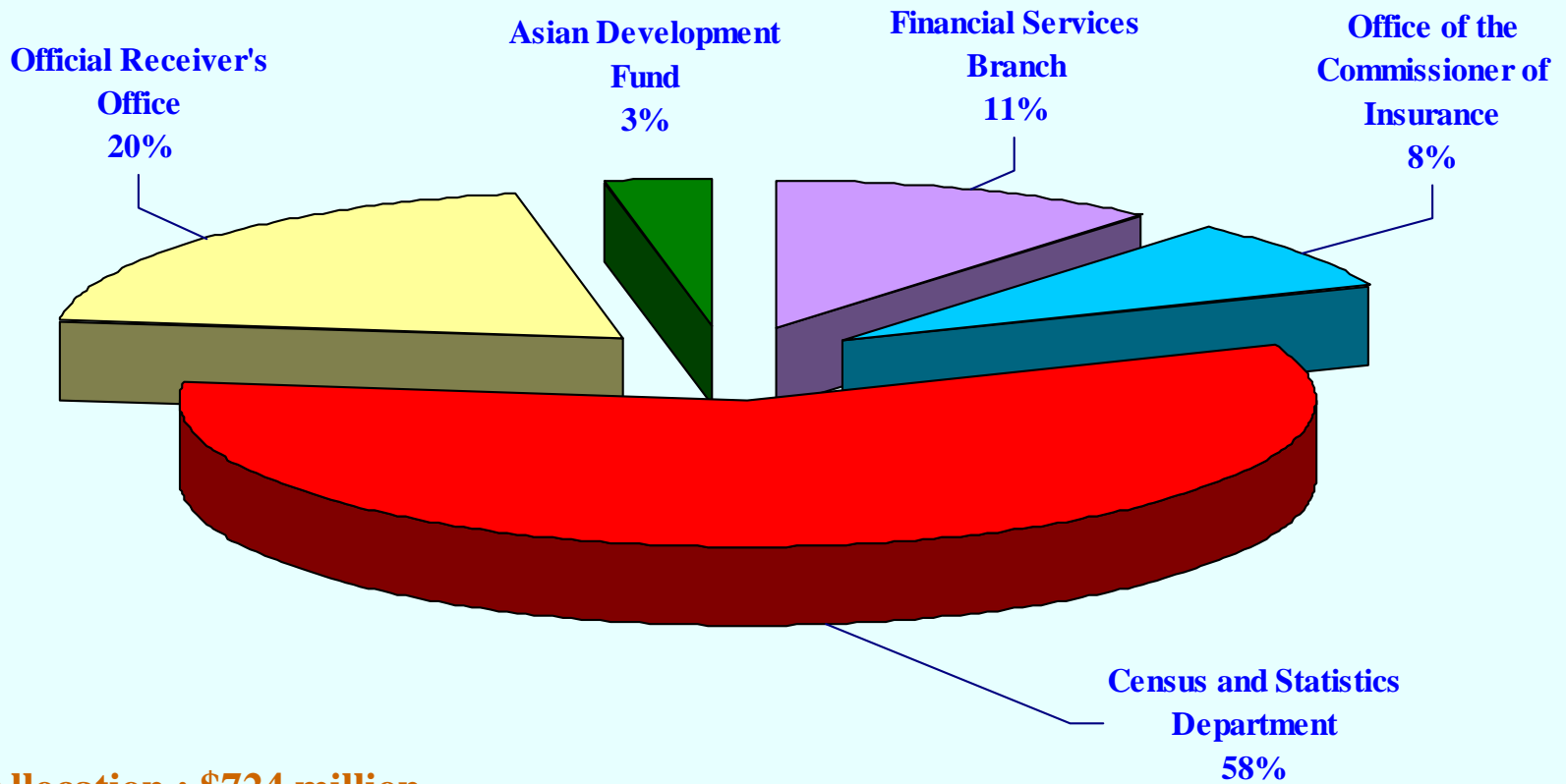


**Special Meetings of the Finance Committee  
to Examine the Estimates of Expenditure 2009-10**

**Secretary for Financial Services and the Treasury**

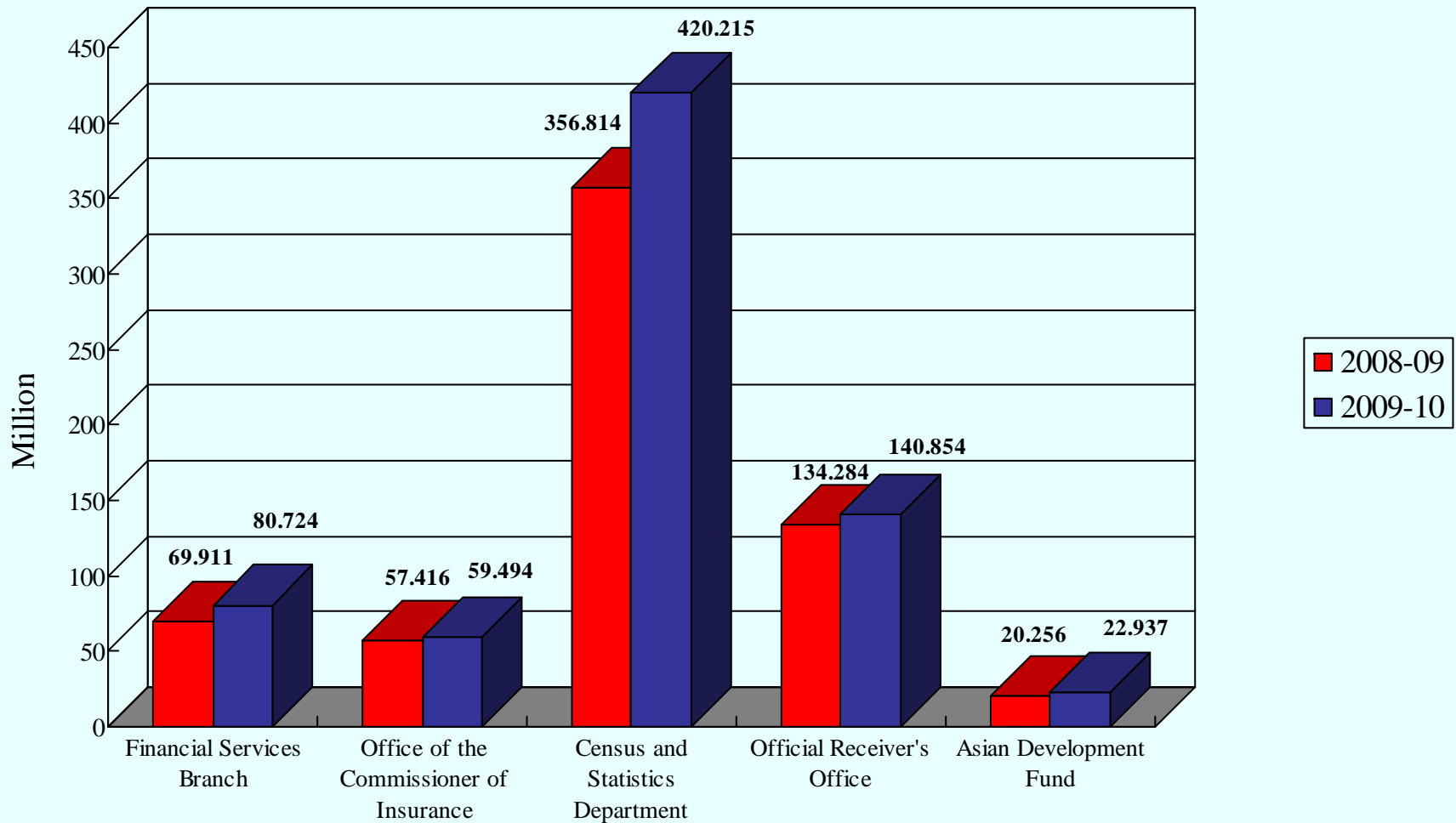
**23 March 2009**

## 2009-10 Financial Year Distribution of Funds among Financial Services Branch, departments under its purview and Asian Development Fund



**Total Allocation : \$724 million  
(2008-09 : \$639 million)**

**Financial Services Branch, departments under its purview and  
Asian Development Fund  
(Comparison of Original Estimate 2008-09 and Estimate 2009-10)**



## 2009-10 Financial Year

# Major Policy Initiatives of Financial Services Branch

- **Optimising the Supervisory Framework**

- Improve regulation and enhance investor protection in accordance with the Action Plan, with regard to certain problems of banks in conducting securities business

Initial phase : implement measures to improve the existing regulatory requirements, and provide better protection for investors

Next phase : review the regulatory framework and regulatory arrangements, implementation of which would require the enactment of primary legislation

Starting researches on the areas of review of the next phase in parallel

## 2009-10 Financial Year

### Major Policy Initiatives of Financial Services Branch

- Promoting Market Development (1)
  - Facilitating the development of Islamic finance
    - Plan to introduce to the Legislative Council in the next financial year a proposal to amend or clarify the arrangements for stamp duty, profits tax and property tax under the Stamp Duty Ordinance and Inland Revenue Ordinance, with a view to providing a level playing field for Islamic financial products vis-a-vis conventional ones.

## 2009-10 Financial Year

# Major Policy Initiatives of Financial Services Branch

- Promoting Market Development (2)

- Promoting the development of the local bond market

- To launch the "Government Bond Programme" so as to promote the further and sustainable development of the local bond market.
- Subject to the Legislative Council's approval for the relevant resolutions, sums raised under the Programme will not be treated as part of the fiscal reserves and will be managed separately.
- Market engagement is underway. A proposal will be submitted to the Legislative Council for consideration after the detailed features of the Programme have been hammered out.

## 2009-10 Financial Year Major Policy Initiatives of Financial Services Branch

- Promoting Market Development (3)
  - Rewrite of Companies Ordinance to
    - Facilitate the conduct of business
    - Enhance corporate governance
    - Encourage the use of information technology

## 2009-10 Financial Year

# Major Policy Initiatives of Financial Services Branch

- Other Initiatives

- Review of Trustee Ordinance
- Revisit corporate rescue procedure
- Explore the setting up of policyholders' protection fund
- Co-ordinate and review the anti-money laundering and counter financing of terrorism preventive measures of financial institutions