

立法會
Legislative Council

LC Paper No. LS36/08-09

**Paper for the House Committee Meeting
on 6 February 2009**

**Legal Service Division Report on
Proposed Resolution under section 23 of the
Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115)**

The Secretary for Commerce and Economic Development has given notice to move a motion at the Council meeting of 11 February 2009. The motion seeks the Legislative Council's approval to increase the maximum contingent liability at any time of the Hong Kong Export Credit Insurance Corporation (the Corporation) under contracts of insurance from \$15,000 million to \$30,000 million.

2. The Corporation was established under the Hong Kong Export Credit Insurance Corporation Ordinance (Cap. 1115) (the Ordinance) to encourage and support export trade through the provision of insurance protection for Hong Kong exporters of goods and services against non-payment risks arising from commercial and political events.

3. The maximum contingent liability of the Corporation of \$15,000 million has been in force since March 2006. Under section 23 of the Ordinance, any change to this maximum limit is to be determined by the Legislative Council by resolution.

4. Under section 18 of the Ordinance, the Government shall guarantee the payment of all moneys due by the Corporation.

5. According to the draft speech by the Secretary for Commerce and Economic Development, as at 31 December 2008, the Corporation's contingent liability amounted to \$14,530 million, or 96.8% of the maximum liability permitted. The Corporation has therefore proposed to raise the cap on its contingency liability to \$30,000 million, in order to cater for its business growth in the next few years and the need to strengthen support for exporters in the midst of the current difficult economic environment.

6. At the meeting of the Panel on Commerce and Industry held on 12 November 2008, the Administration briefed members on the proposed support measures for small and medium enterprises (SMEs) arising from the global financial turmoil. These included the setting up of a Special Loan Guarantee Scheme for SMEs and the enhanced services of the Corporation. On the Corporation, the Panel generally supported the proposal to increase the statutory maximum liability (SML) from \$15,000

million to \$30,000 million. Members also welcomed the proposed new enhancement measures to provide higher insurance cover for exports generally and for emerging markets in particular. Some members held the view that the Administration should consider the industry's request to further increase the SML to \$50,000 million. Members may refer to the Administration's paper (LC Paper No. CB(1)189/08-09(01)) for further information.

7. No difficulties relating to the legal and drafting aspects of the proposed resolution have been identified.

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