

**Panel on Financial Affairs  
Special meeting on 21 May 2009**

**List of follow-up actions**

**Briefing on the work of the Hong Kong Monetary Authority**

1. In relation to Hon Mrs Regina IP's concern about media reports of significant investment losses incurred from high risk investments undertaken by the Hong Kong Mortgage Corporation Limited (HKMC), *the Hong Kong Monetary Authority (HKMA)* was requested to provide the following information:
  - (a) remuneration of HKMC staff; and
  - (b) investment strategy of HKMC and its investment returns in the past years, as well as the assessment made by HKMC's consultant on its risk management and credit ratings.

**Remuneration policies of the Hong Kong Monetary Authority and remuneration levels of the senior executives**

2. To address Hon CHIM Pui-chung' concern about the mechanism for determining the remuneration levels of the senior executives of HKMA, *the Governance Sub-Committee (GSC)* of the Exchange Fund Advisory Committee was invited to provide detailed information on:
  - (a) the benchmark adopted in determining the remuneration levels and annual pay adjustments for senior executives of HKMA, in particular the pay level/pay trend statistics which had been used for reference in the 2008 pay review; and
  - (b) the areas of HKMA's performance which GSC would assess when making recommendations on the annual pay adjustment.
3. To address Hon James TO's concern about the procedures for identifying the successor of Mr Joseph YAM, the incumbent Chief Executive of HKMA who would retire in October 2009, the *Financial Secretary* was requested to provide in writing the considerations for appointing a three-member committee to give advice on suitable candidates, and the possible conflict of interests which might arise if advice was sought from GSC instead.