

**立法會**  
**Legislative Council**

LC Paper No. CB(1)3025/10-11  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/12/09

**Bills Committee on Competition Bill**

**Minutes of sixteenth meeting on  
Tuesday, 7 June 2011, at 2:30 pm  
in the Chamber of the Legislative Council Building**

**Members present** : Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)  
Hon Ronny TONG Ka-wah, SC (Deputy Chairman)  
Hon Albert HO Chun-yan  
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP  
Hon LEE Cheuk-yan  
Hon Fred LI Wah-ming, SBS, JP  
Hon CHAN Kam-lam, SBS, JP  
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP  
Dr Hon Philip WONG Yu-hong, GBS  
Hon Miriam LAU Kin-ye, GBS, JP  
Hon Emily LAU Wai-hing, JP  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Audrey EU Yuet-mee, SC, JP  
Hon Vincent FANG Kang, SBS, JP  
Hon WONG Kwok-hing, MH  
Hon Jeffrey LAM Kin-fung, SBS, JP  
Hon WONG Ting-kwong, BBS, JP  
Hon CHIM Pui-chung  
Hon Starry LEE Wai-king, JP  
Dr Hon LAM Tai-fai, BBS, JP  
Hon CHAN Hak-kan  
Hon Paul CHAN Mo-po, MH, JP  
Hon CHAN Kin-por, JP  
Dr Hon LEUNG Ka-lau  
Hon WONG Kwok-kin, BBS  
Hon IP Kwok-him, GBS, JP  
Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Hon Paul TSE Wai-chun  
Hon Alan LEONG Kah-kit, SC  
Hon LEUNG Kwok-hung  
Hon Tanya CHAN  
Hon WONG Yuk-man

**Members absent :** Dr Hon Margaret NG  
Hon James TO Kun-sun  
Prof Hon Patrick LAU Sau-shing, SBS, JP  
Hon Cyd HO Sau-lan

**Public Officers attending :** Agenda item I

Ms Linda LAI Wai-ming, JP  
Deputy Secretary for Commerce and Economic  
Development (Commerce and Industry)

Mr Raymond WU Wai-man  
Principal Assistant Secretary for Commerce &  
Economic Development (Commerce & Industry)

Mr Michael LAM Siu-chung  
Senior Assistant Law Draftsman  
Department of Justice

Ms Phyllis POON Hon-ying  
Senior Government Counsel  
Department of Justice

Mr David Alan GROVER  
Senior Government Counsel  
Department of Justice

**Clerk in attendance :** Ms Debbie YAU  
Chief Council Secretary (1)6

**Staff in attendance :** Mr Timothy TSO  
Assistant Legal Adviser 2

Miss Lilian MOK  
Council Secretary (1)7

Action

**I Meeting with the Administration**

Major prohibitions, exclusion and exemption

(LC Paper No. CB(1)2363/10-11(01) -- List of follow-up actions arising from the discussion at the meeting on 31 May 2011

LC Paper No. CB(1)320/10-11(02) -- Administration's information paper on overview of major components of the Competition Bill (paragraphs 15 to 24 on major prohibitions, exclusion and exemption)

LC Paper No. CB(1)2283/10-11(04) -- Summary of views expressed by deputations on major prohibitions, exclusion and exemption of the Bill, and the Administration's response

LC Paper No. CB(1)2336/10-11(01) -- Administration's paper on Guidelines on the First Conduct Rule

LC Paper No. CB(1)320/10-11(03) -- Assistant Legal Adviser's letter dated 26 October 2010 to the Administration (clauses 6, 9, 11, 21, 24, 26 and 33 and Schedules 1 and 7)

LC Paper No. CB(1)1034/10-11(05) -- Administration's response to CB(1)320/10-11(03) (paragraphs 5-12 and 17-20))

1. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

2. The Bills Committee requested the Administration to provide written responses to the following concerns/requests –

- (a) consider providing a definition of "competition" in the Bill;
- (b) in respect of a Court of Final Appeal case in 2010 where seventeen cooked food stall operators were accused of conspiracy to defraud in a restricted food stall auction at Tai Po Hui Market in 2004, advise whether the conduct of the stall operators would be regarded as anti-competitive and constitute a breach of the first conduct rule in the Bill;
- (c) given that under section 7K(1) of the Telecommunications Ordinance (Cap. 106) (TO) and section 13(1) of the Broadcasting Ordinance (Cap. 562) (BO), a licensee should not engage in conduct which, in the opinion of the Telecommunications/Broadcasting Authority, has the purpose or effect of preventing or "substantially" restricting competition in a telecommunications/television programme service market, while the word "substantially" is absent in clauses 6 and 21 of the Bill,
  - (i) advise whether the standards for assessing anti-competitive conduct under TO/BO and the Bill are different, and if yes, whether the telecommunications and broadcasting sectors were aware of the relevant change in the standard;
  - (ii) provide cases, if any, on the interpretation of "substantially" restricting competition under TO and BO; and
  - (iii) having regard to the Administration's response that it had done away with the word "substantially" noting that a competition law should be meant to catch only conduct which had an "appreciable adverse effect" on competition (CB(1)1034/10-11(05)), advise whether "substantially" restricting competition was in fact the same as having "appreciable adverse effect" on competition;
- (d) despite Schedule 7 to the Bill provided for a limited scope of application of the merger rule to mergers in relation to carrier licences issued under TO, advise whether anti-competitive agreements relating to mergers would still be covered by clause 6(1) of the Bill, and if yes, consider explicitly excluding such agreements from the application of clause 6(1); and

- (e) consider exempting all types of vertical agreements from the application of the first conduct rule in the Bill.

3. The Chairman reminded members that the next meeting of the Bills Committee would be held on 21 June 2011 at 2:30 pm.

**II Any other business**

4. There being no other business, the meeting ended at 5:25 pm.

Council Business Division 1  
Legislative Council Secretariat  
22 September 2011

**Proceedings of the sixteenth meeting of  
Bills Committee on Competition Bill  
on Tuesday, 7 June 2011, at 2:30 pm  
in the Chamber of the Legislative Council Building**

Time marker	Speaker	Subject(s)	Action required
000528 – 000646	Chairman	Opening remarks by the Chairman.	
000647 – 001748	Chairman Administration Mr CHAN Kam-lam	<p><u>Clause-by-clause examination</u></p> <p><u>Clause 6 – Prohibition of anti-competitive agreements, concerted practices and decisions</u></p> <p>Instead of prohibiting anti-competitive agreements which had an object or effect to prevent, restrict or distort competition in Hong Kong, Mr CHAN Kam-lam reiterated his suggestion that the Bill should only catch conduct which had an "appreciable adverse effect" on competition. If the Administration did not take on board his suggestion, he might propose Committee Stage amendments later.</p> <p>Drawing reference to the draft Guidelines on the First Conduct Rule (CB(1)2336/10-11(01)) (the Guidelines), the Administration explained that "object" in the first conduct rule referred to the objective purpose of an agreement considered in the economic context in which it was to be applied, and did not mean the subjective intent of the parties to the agreement. As competition law was meant to prohibit conduct that had an appreciable adverse effect on competition, an agreement having an object but only minimal effect of preventing, restricting or distorting competition would not be caught by the first conduct rule. As the Bill followed closely the formulation of prohibitions adopted in other major overseas competition regimes such as the European Union, Singapore and the United Kingdom, the future Competition Commission (the Commission) and the Competition Tribunal (the Tribunal) could draw reference from the relevant case law in these jurisdictions in applying and interpreting the "object or effect" test in future.</p> <p>Notwithstanding the Administration's explanation, Mr CHAN expressed concern that an agreement with an anti-competitive object might be caught before it was carried out or had any impact on competition. In response, the Administration said that any conduct or agreement which had an anti-competitive object and was likely to have an appreciable adverse effect on competition should not be tolerated even if it was not implemented successfully.</p>	
001749 – 002521	Chairman Mr WONG Yuk-man Administration	Despite that the Guidelines were prepared on a provisional basis for the reference of the Bills Committee and the Commission would conduct consultation and prepare the	

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		<p>guidelines after the passage of the Bill, Mr WONG Yuk-man opined that deputations should be invited to express their views on the Guidelines.</p> <p>The Administration explained that as the regulatory guidelines to be issued by the Commission aimed to facilitate understanding of and compliance with the law. The Bill when enacted would be implemented in phases to allow sufficient time for the business sector to understand the legal requirements and make necessary adjustments accordingly. The Commission would consult the stakeholders and draw up the guidelines during the transitional period before the major prohibitions of the Bill came into force. Hence, there would be adequate time for extensive consultation to ensure the guidelines would suit the local circumstances.</p> <p>The Chairman supplemented that deputations would be invited to express their views on the three Guidelines in a meeting to be arranged in mid July 2011.</p>	
002522 – 003538	Chairman Dr LEUNG Ka-lau Administration	<p>In response to Dr LEUNG Ka-lau's suggestion of providing a definition of "competition" in the Bill, the Administration said that "competition" was a generic term referring to a process of rivalry. As most overseas jurisdictions did not define the term "competition" in their competition law, it might be difficult to draw reference from overseas case law in future if there was a definition of "competition" in the Bill. Whilst "competition" in the Bill should be understood for its ordinary meaning applied in economic context, the Administration undertook to consider whether a statutory definition of "competition" could be added.</p> <p>As regards the example cited by Dr LEUNG in which product or service providers increased price one after another, the Administration explained that assuming no agreement to fix price, the practice would normally be regarded as "parallel behaviour", which was a natural response of players in a competitive market. As competition law was principle-based, each case had to be analyzed in its own light according to facts and prevailing market circumstances. The Administration said that the regulating guidelines to be issued by the Commission in future would cover more details and practical examples</p>	The Administration to take action as requested in paragraph 2(a).
003539 – 004204	Chairman Mrs Regina IP Administration	<p>Mrs Regina IP enquired about whether the alleged bid-rigging by food stall operators in a Court of Final Appeal case in 2010 and price-fixing by travel agents in organizing "zero/negative-fare" Mainland inbound tours would be caught under clause 6(1) of the Bill.</p> <p>The Administration responded that while bid-rigging would likely be prohibited by the future competition law, there was insufficient information on hand to assess the case.</p>	The Administration to provide information as requested in paragraph 2(b).

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		<p>As regards the "zero/negative-fare" tours, the Administration explained that whether the exchange of price information amongst industry players was anti-competitive depended on the object or effect of such conduct. An arrangement aiming to curb industry malpractices might not restrict competition appreciably.</p> <p>Mrs IP pointed out that according to the Support and Consultation Centre for Small and Medium Enterprises (SMEs), manufacturing enterprises with fewer than 100 employees and non-manufacturing enterprises with fewer than 50 employees were regarded as SMEs. As most of the undertakings in Hong Kong were SMEs, Mrs IP did not subscribe to the claims by some of the experts that the operation of SMEs would not be affected by the competition law. The Administration stressed that all undertakings engaged in economic activities including SMEs would be subject to regulation under the Bill. However, the "de minimis" approach should address most of the worries of SMEs.</p>	
004205 – 004820	Chairman Ms Miriam LAU Administration	<p>Ms Miriam LAU pointed out that although undertakings entering joint purchasing agreements did not have the intention to restrict competition, their behaviour might have appreciable adverse impact on competition and be caught under the Bill. She expressed concern that innocent undertakings might easily fall foul of committing anti-competitive acts unknowingly. To avoid unnecessary and costly lawsuits, undertakings might reduce communication with each other thereby hindering economic development as a result.</p> <p>In response, the Administration said that as indicated in the Guidelines, exchange of information on industry matters such as new technology and market opportunities would make competition more effective. Nevertheless, exchange of certain price information might eliminate competition amongst undertakings and harm the competitive process. The Administration added that the Tribunal was empowered by the Bill to make different orders with respect to a contravention of the competition rules to address a competition concern. These included not only the imposition of pecuniary penalty, but also behavioural remedies to terminate an anti-competitive conduct.</p>	
004821 – 005441	Chairman Mr Albert HO Administration	<p>While expressing support for the "de minimis" approach to protect SMEs' from falling foul of the legislation, Mr Albert HO considered that the Administration should make reference to the Canadian competition law model under which "orders" would be issued to correct anti-competitive behaviour to facilitate undertakings' compliance with the competition law.</p>	

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		<p>Noting that merger and acquisition (M&amp;A) activities would not be regulated under the Bill in the initial stage, Mr HO enquired about whether co-operation amongst a small number of undertakings which constituted the whole market of a certain industry would be a breach of the law as there was in practice no competition in the market.</p> <p>The Administration advised that clause 6(1) might apply to "joint venture" which did not create one independent, single economic entity. A "disguised" joint venture set up between companies with the object or effect of preventing, restricting or distorting competition would be caught by clause 6(1).</p>	
005442 – 010408	Chairman Mrs Regina IP Administration Assistant Legal Adviser (ALA)	<p>Mrs Regina IP expressed concern that the allocation of more public resources to a particular service area might attract people to tap the benefits by fixing the service price at a higher level. For example, she noted that some doctors agreed to fix prices upon the implementation of the health care voucher policy, and asked the Administration whether such behaviour would infringe the competition law.</p> <p>The Administration advised that clauses 31 to 33 of the Bill empowered the Chief Executive (CE) in Council to make orders to exempt certain agreement or conduct from the application of the conduct rules on public policy grounds. However, collective price-fixing agreement whether setting the maximum or minimum price level without an exceptional and clearly-defined public policy objective would restrict competition and hence should be prohibited.</p> <p>The Chairman enquired whether an insurance company capping the indemnity for medical expenses would infringe the competition law. In response, the Administration considered that if doctors were free to determine the price level of their individual services despite a cap on indemnity set by an upstream insurance company, the competitive force in the market should not be adversely affected. However, if a few insurance companies came into an agreement to cap the indemnity, it would be very likely to breach the law.</p> <p>ALA supplemented that in general, price-fixing by undertakings would constitute a breach of the first conduct rule unless the CE in Council exempted such agreements on public policy grounds. In this connection, Mrs IP remarked that there would be a double standard if exemption was provided to a particular policy but not the others.</p>	
010409 – 011557	Chairman Ms Miriam LAU Administration	On joint purchasing, Ms Miriam LAU expressed concern that SMEs might not ascertain if the purchasing agreements they entered into would account for a sufficiently large	

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		<p>portion of the total volume of a purchasing market, thereby bringing adverse impact on competition. Similarly, in respect of information sharing, SMEs might not know whether the information exchanged would serve to reduce or remove uncertainties inherent in the process of competition. As such, SMEs might breach the law unknowingly. Despite the Administration's advice that the Tribunal would make orders with respect to a contravention of the competition rules other than imposing pecuniary penalty, there was no certainty for the arrangement.</p> <p>The Administration reiterated that it was considering how best to address the concerns of SMEs through the "de minimis" arrangements. The Administration further said that the Tribunal would decide on the most appropriate remedies to address a competition concern depending on the facts of each case. On top of pecuniary penalties which could provide sufficient deterrence against anti-competitive conduct, there were other behavioural remedies that the Tribunal might apply.</p> <p>Ms LAU did not subscribe to the Administration's explanation and criticized that the Guidelines were not clear. Ms LAU further argued that in certain circumstances, both the "object <u>and</u> effect" of an agreement or a conduct should be taken into account in deciding whether or not it was restricting, preventing and distorting competition. The Administration advised that the "object <u>or</u> effect" test would be appropriate as it alleviated the evidential burden of the competition authorities in tackling hardcore anti-competitive agreement or conduct that had an anti-competitive object and would almost always had an appreciable adverse effect on competition.</p>	
011558 – 011950	Chairman Mr Ronny TONG Administration	Mr Ronny TONG highlighted that the competition law was a piece of principle-based legislation. According to the practice of other jurisdictions, the guidelines were issued by the regulatory authorities to facilitate compliance and enforcement, and would be revised in response to market changes. Citing the Securities (Insider Dealing) Ordinance (Cap. 395), which was also a piece of principle-based legislation, as an example, Mr TONG believed that the enactment of the Bill would make the public more aware of competition matters thereby prohibiting all sectors from adopting anti-competitive conduct.	
011951 – 012636	Chairman Mr Albert HO Administration	<p>Referring to the views about the impact of Government subsidies on the market, Mr Albert HO held the view that even if there were Government subsidies, there would still be competition in the market. Nevertheless, the price of those subsidized products or services might be increased.</p> <p>With reference to the abolition of scale fees for legal</p>	

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		<p>services in 1997, Mr HO enquired about –</p> <p>(a) whether fixing or recommending scale fees by some professional bodies for compliance by their members would be prohibited after the enactment of the Bill; and</p> <p>(b) whether some forms of scale fees would be exempted or excluded from the application of the competition rules.</p> <p>The Administration noted that some professional bodies required or recommended their members to follow a fee scale. Whether or not such practice would contravene competition law depended on consideration of a host of factors. In some overseas jurisdictions, the competition authorities would consider whether such fee scale was binding on members and whether it was necessary and conducive to ensuring quality of services or achieving other social objective. As regards Mr HO's request to make it clear to professional bodies the future arrangements of scale fees, the Administration reiterated that the Commission would consult the relevant stakeholders in drawing up the guidelines.</p>	
012637 – 012933	Chairman Mr CHAN Kin-por Administration	<p>Mr CHAN Kin-por stressed the worries of the business sector and opined that an anti-monopoly law might better serve the interests of SMEs.</p> <p>The Chairman advised that deputations would be invited to meet with the Bills Committee in mid July 2011 to present their views on the Guidelines.</p>	
012934 – 013422	Chairman Dr LEUNG Ka-lau Administration	<p>Dr LEUNG Ka-lau considered it necessary to give clearer details in the regulatory guidelines and make them schedules to the Bill to allay the concerns of SMEs. The Administration said that while it might not be practical to cover all scenarios, the regulatory guidelines aimed at providing some core principles and useful guidance to facilitate compliance with and understanding of the new law.</p>	
013423 – 014038	Chairman Ms Miriam LAU Administration	<p>Ms Miriam LAU considered that the Bill should target at large consortia which abused their market power, and asked whether exemptions could be granted to SMEs from the proposed non hard-core conduct rules in the Bill as they normally would not have any intention to restrict competition. The Administration said it noted members' views on the Canadian competition law model which had different treatment in respect of hard-core and non-hardcore anti-competitive conduct, and was considering if certain element of the Canadian approach might be of some reference value for Hong Kong. The Administration further advised that it was also working on the "de minimis" arrangements and would revert to the</p>	

Time marker	Speaker	Subject(s)	Action required
		Bills Committee when ready.	
014039 – 014235	Chairman Mrs Regina IP Administration	Mrs Regina IP advised that there were two articles about the introduction of a competition law in Hong Kong published in the latest periodical entitled "Best Practice" of the Lion Rock Institute.	
014236 – 015150		Break	
015151 – 020605	Chairman Assistant Legal Adviser (ALA) Administration	<p>Referring to his letter to the Administration (CB(1)320/10-11(03)), ALA pointed out that under section 7K(1) of the Telecommunications Ordinance (Cap. 106) (TO) and section 13(1) of the Broadcasting Ordinance (Cap. 562) (BO), a licensee should not engage in conduct which, in the opinion of the Telecommunications/Broadcasting Authority, had the purpose or effect of preventing or "substantially" restricting competition in a telecommunications/television programme service market, while the word "substantially" was absent in clauses 6 and 21 of the Bill. The Administration was requested to –</p> <p>(a) advise whether the standards for assessing anti-competitive conduct under TO/BO and the Bill were different, and if yes, whether the telecommunications and broadcasting sectors were aware of the relevant change in the standard; and</p> <p>(b) advise whether "substantially" restricting competition was in fact the same as having "appreciable adverse effect" on competition.</p> <p>ALA also requested the Administration to –</p> <p>(a) advise, despite Schedule 7 to the Bill provided for a limited scope of application of the merger rule to mergers in relation to carrier licences issued under TO, whether anti-competitive agreements relating to mergers would still be covered by clause 6(1) of the Bill, and if yes, consider explicitly excluding such agreements from the application of clause 6(1); and</p> <p>(b) consider exempting all types of vertical agreements from the application of the first conduct rule in the Bill.</p> <p>In response, the Administration explained that –</p> <p>(a) the concept of "substantially" restricting competition in BO/TO was not inconsistent with "appreciable adverse effect" on competition as proposed in the Bill;</p>	The Administration to provide information as requested in paragraph 2(c)(i), (c)(iii), (d) and (e).

Time marker	Speaker	Subject(s)	Action required
		<p>(b) the merger rule in the Bill would only apply to mergers in relation to carrier licences issued under TO and consideration would be given to the need of spelling out clearly in the Bill that mergers in other sectors would not be subject to the proposed conduct rules; and</p> <p>(c) it was considered more desirable for the Commission to examine the need to exempt certain classes of vertical agreements with pro-competitive effects subject to appropriate conditions or limitations.</p> <p>Noting the Administration's explanation, the Chairman urged that to allay SMEs' concerns, the Bill should adopt "substantially lessening competition" which was a higher threshold for breaching the proposed conduct rules in the Bill. He also agreed that all types of vertical agreements should be exempted from the application of the Bill.</p>	
020606 – 021152	Chairman Mr CHAN Kam-lam Administration	<p>In response to Mr CHAN Kam-lam's enquiry, the Administration advised that the merger rule was provided in Schedule 7 to the Bill. While the rule applied only to mergers in relation to carrier licences issued under TO, it would be subject to review in due course whether merger control should also extend to other sectors in future.</p> <p>On exclusion from the application of the merger rule, the Administration advised that the proposed section 6 of Schedule 7 to the Bill set out some matters which might be taken into consideration in any such determination. With reference to overseas experience, a set of guidelines containing implementation details of merger rule, e.g. the market share threshold, would be drawn up by the competition authorities. The Administration further advised that the merger rule was very similar to that under the existing guidelines of the Office of the Telecommunications Authority.</p>	
021153 – 022142	Chairman Mr CHAN Kin-por Administration ALA	<p>Mr CHAN Kin-por considered it more desirable to use the term "substantially lessening competition" instead of "having appreciable adverse effect on competition" in the Bill such that the threshold for breaching the proposed conduct rules would be higher. He also urged the Administration to consider exempting all types of vertical agreements from the application of the first conduct rule in the Bill.</p> <p>In response, the Administration explained that the Bill followed other major overseas competition regimes to catch conduct having "appreciable adverse effect" on competition and prohibit mergers that "substantially lessened competition" so as to enable the Commission and the Tribunal to draw reference readily from overseas case law and jurisprudence in future. Furthermore, the</p>	

Time marker	Speaker	Subject(s)	Action required
		<p>Administration said that certain vertical supply arrangement might, in effect, be the means by which direct competitors agreed to limit competition amongst themselves and thus should be prohibited. The Chairman also advised that suspected fake vertical agreements should be caught by other provisions of the Bill.</p> <p>Referring to the Administration's earlier response that "substantially lessening competition" was not inconsistent with "appreciable adverse effect" on competition, ALA commented that they were not equivalent and the standards for assessing and enforcing anti-competitive conduct under TO/BO and the Bill might be different. He also requested the Administration to advise whether mergers carried out by any sector under an agreement with an object or effect to prevent, restrict or distort competition in Hong Kong would be caught by clause 6 of the Bill.</p>	
022143 – 022415	Chairman Mr Ronny TONG Administration	At the request of Mr Ronny TONG, the Administration undertook to provide information on the existing enforcement of competition provisions in the telecommunications sector, and provide cases, if any, on the interpretation of "substantially" restricting competition under TO and BO.	The Administration to provide information as requested in paragraph 2(c)(ii).
022416 – 024330	Chairman Administration Mr CHAN Kin-por	<p>Briefing by the Administration on the summary of deputations' views on the proposed conduct rules (CB(1)2283/10-11(04)).</p> <p>It was agreed to draw deputations' attention to CB(1)2283/10-11(04) when inviting them to the next hearing.</p>	
024331 – 024621	Chairman Mr CHAN Kin-por Administration	In response to the suggestion of Mr CHAN Kin-por to draw up specific guidelines for different industries, the Administration said that to ensure that businessmen would be well versed in competition issues related to its industry, it would be one of the functions of the Commission to conduct public education especially during the transitional period before the proposed conduct rules came into effect to enable the public and the businesses, including the SMEs, to familiarize with the new law.	
024622 – 025125	Chairman Mr Jeffrey LAM Administration	<p>Discussion on the Singapore's ruling on the guidelines on fees issued by its Medical Association.</p> <p>As regards Mr Jeffrey LAM's concern about the Di(2-ethylhexyl) phthalate (DEHP) incident, the Administration pointed out that it was difficult and impractical to provide a set of exhaustive examples in the Guidelines to cover every scenario and circumstance. Nevertheless, the regulatory guidelines to be issued by the Commission would include general principles and typical overseas case law examples to help the business sector</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		comply with the law.	
025126 – 025550	Chairman Mr Albert HO Administration Mr Jeffrey LAM	Mr Albert HO noted that the commencement notice for the proposed conduct rules would be subsidiary legislation subject to the scrutiny of LegCo Members who by then could have sight of the guidelines already issued by the Commission. He considered that the implementation of the new law should be complemented by public education while penalties should be lenient to encourage compliance.  Mr Jeffrey LAM hoped that the Administration would set a clear direction forward to allay worries of the business sector.	
025551 – 025701	Chairman	Meeting arrangements	

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