

**Replies to supplementary questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2010-11**

**Director of Bureau : Secretary for Financial Services and the Treasury
Session No. : 3**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
S-FSTB(FS)01	SV001	CHAN Kam-lam	148	Financial Services
S-FSTB(FS)02	SV002	CHAN Kam-lam	148	Financial Services

Examination of Estimates of Expenditure 2010-11
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-FSTB(FS)01

Question Serial No.

SV001

Head : 148 – Government Secretariat : Subhead (No. & title) :
Financial Services and the Treasury Bureau
(Financial Services Branch)

Programme : Financial Services

Controlling Officer : Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

In relation to Hon CHAN Kam-lam's concern about the adequacy of manpower provision for the work on co-operation with the Mainland to enhance development of the financial markets in Hong Kong and the Mainland, the Administration is requested to provide information on the number and ranking of the staff deployed to undertake the work, and the annual expenditure involved.

Asked by : Hon. CHAN Kam-lam

Reply :

At present, the work on advancing financial co-operation between Hong Kong and the Mainland is jointly carried out by the policy divisions in the Financial Services Branch (FSB) overseeing the banking, securities, insurance and accounting sectors, together with the respective financial regulators. In addition to its other duties, Division 2 is responsible for the overall coordination in FSB, the regulators, relevant Government offices, and counterparts in the Mainland for Mainland-related matters. We do not have a separate breakdown for the expenditure involved in the above work.

In order to advance our financial co-operation with the Mainland, FSB will create an additional non-directorate (Administrative Officer) civil service post in 2010-11. For effective performance of our duties, we shall keep our manpower arrangements under review having regard to our actual commitments.

Signature	
Name in block letters	Miss AU King-chi
Post Title	Permanent Secretary for Financial Services and the Treasury (Financial Services)
Date	8.4.2010

Examination of Estimates of Expenditure 2010-11
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-FSTB(FS)02

Question Serial No.

SV002

Head : 148 – Government Secretariat : Subhead (No. & title) :
Financial Services and the Treasury Bureau
(Financial Services Branch)

Programme : Financial Services

Controlling Officer : Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau : Secretary for Financial Services and the Treasury

Question :

In relation to Hon CHAN Kam-lam's concern about the arrangements on outsourcing of legal services for hearings of tribunal cases on insider dealing, market misconduct and securities and futures appeals, the Administration is requested to provide:

- (a) information on the criteria for selection of legal firms to handle the cases; and
- (b) the names of the legal firms and the amount of payments made to each firm in 2009-2010 for provision of the legal services.

Asked by : Hon. CHAN Kam-lam

Reply :

- (a) Hearings before the Securities and Futures Appeals Tribunal generally involve the Securities and Futures Commission and the regulatees lodging the appeals. Apart from providing administrative support (e.g. provision of venue and appointment of Tribunal members), the Government is not involved in such hearings.

For hearings before the Insider Dealing Tribunal and the Market Misconduct Tribunal, counsel in private practice at the Bar (barristers) have been engaged on the advice of the Department of Justice to act as Counsel to the Tribunal or Presenting Officers. They present evidence to the tribunals and assist in the proceedings. It has not been the practice to engage firms of solicitors for cases before those tribunals. The criteria for selection of counsel include suitability for the case in question, relevant experience, availability and fee levels.

- (b) In 2009-10, four counsel from the private Bar were engaged in dealing with three cases before the Insider Dealing Tribunal and the Market Misconduct Tribunal. In the year, total fees payable to each counsel ranged from \$12,000 to \$334,600, depending on the workload involved and the rates charged by individual counsel. Unlike solicitors who operate in partnership, barristers are all self-employed. We cannot therefore aggregate the payments in terms of firms.

Hearings before the Securities and Futures Appeals Tribunal do not involve the appointment of counsel by the Government and hence no fees were incurred.

Signature	_____
Name in block letters	Miss AU King-chi
Post Title	Permanent Secretary for Financial Services and the Treasury (Financial Services)
Date	8.4.2010