

**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)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