

Panel on Financial Affairs

List of outstanding items for discussion

(as at 28 April 2010)

**Proposed timing
for discussion at
Panel meeting**

1. Briefing on the work of the Hong Kong Monetary Authority (HKMA)

The Chief Executive of HKMA briefs the Panel on the work of HKMA on a regular basis. Such briefings are normally held in February, May and November each year.

20 May 2010

2. Proposed establishment of an Investor Education Council and a Financial Dispute Resolution Centre

The Administration commenced a three-month public consultation on 9 February 2010 and briefed the Panel on the proposals at the meeting on 1 March 2010. The Administration proposes to brief the Panel on the consultation progress/result at the meeting scheduled for 20 May 2010..

20 May 2010

3. Briefing by the Financial Secretary (FS) on Hong Kong's latest overall economic situation

The Panel has invited FS to brief the Panel and all other LegCo Members on macro economic issues on a regular basis since mid-1999. Such briefings are normally held in June and December each year.

June 2010

4. Companies Ordinance Rewrite

The Administration proposes to brief the Panel on the latest progress of the rewrite of the Companies Ordinance (Cap. 32) and the legislative proposals, including the second phase of the public consultation on the draft Companies Bill which will be launched in early May 2010 and the issues highlighted for consultation. The subject was discussed at the Panel on 8 April 2010.

June 2010

**Proposed timing
for discussion at
Panel meeting**

5. Proposed establishment of an independent Insurance Authority

The Administration proposes to consult the Panel on the proposal for establishing an independent Insurance Authority, including its functions and powers, governance structure, organization framework and funding mechanism.

July 2010

6. Proposed establishment of Policyholders' Protection Fund (PPF)

The Panel was briefed on the proposed framework for the establishment of PPF at the meeting on 6 July 2009. The Administration proposes to consult the Panel on detailed proposals of PPF, including the scope of coverage, the levy rates and the corresponding levels of compensation, compensation limits and the target fund size, the governance framework as well as other detailed operational arrangements.

July 2010

7. Review of corporate rescue procedure legislative proposals

The Administration launched a three month public consultation on corporate rescue procedure legislative proposals on 29 October 2009. The Panel discussed the subject on 7 December 2009. The Administration proposes to brief the Panel on the public feedback on the legislative proposals and the way forward.

July 2010
(previously
scheduled for June
2010, see note)

Note: The Administration has advised that more time is needed to consider the diverse views on some aspects of the proposed corporate rescue procedure.

8. The roles and operation of the Hong Kong Mortgage Corporation Limited (HKMC)

The Panel discussed the roles and operation of HKMC at the meeting on 2 November 2009. After the meeting, Hon Mrs Regina IP raised further questions regarding the operation of HKMC (LC Paper No. CB(1)559/09-10 dated 2 December 2009), and HKMC provided a written response (LC Paper No. CB(1)687/09-10 dated 15 December 2009). At the Panel meeting on 4 January 2010, Mrs IP requested for further discussion of HKMC's operations. Members agreed that the

To be confirmed

item be put on this list, and if necessary, representatives from the banking sector be invited to give their views on HKMC's operations.

The Panel conducted a visit to HKMC on 8 February 2010. In response to Mrs Regina IP's request on 1 March 2010, HKMC provided information on HKMA's business projections for HKMC prior to HKMC's establishment and on the possibility of providing reverse mortgage service by HKMC (LC Paper No. CB(1)1462/09-10(02) dated 25 March 2010).

9. **Legislative proposal to enhance the anti-money laundering regulatory regime in respect of the financial sectors**

To be confirmed

The Administration has conducted two rounds of consultation to gauge views from the financial sectors and the public on the subject. The first round consultation focused on the conceptual framework of the legislative proposals and ended in October 2009. The Administration then drew up a set of detailed proposals for the second round public consultation which ended on 6 February 2010. The Panel was briefed on the subject twice at the meetings on 11 June 2009 and 14 December 2009. At the Panel meeting on 1 March 2010, Hon Albert HO and Hon Emily LAU proposed that the Panel hold a hearing to receive views on the subject. The Administration's advice on the updated status and work plan regarding the subject was circulated to members vide LC Paper No. CB(1)1465/09-10(01) on 25 March 2010. The Administration has indicated that it will introduce the relevant Bill to LegCo in the second quarter of 2010.

At the Panel meeting on 8 April 2010, Hon Ms Emily LAU proposed that a hearing to receive views on the subject be held before the Administration introduced the relevant Bill into LegCo.

**Proposed timing
for discussion at
Panel meeting**

10. Policy response to the review of HKMA's work on banking stability

The Panel was briefed on the report on "Review of HKMA's work on banking stability" at the meeting on 5 January 2009. HKMA will brief the Panel on the policy response to the review report.

To be confirmed

11. Review of the "abscondee" regime under the Bankruptcy Ordinance (Cap.6) (BO)

In the course of deliberation, members of the Bills Committee on Statute Law (Miscellaneous Provisions) Bill 2007 were advised by the Administration of its plan to review the "abscondee" regime (i.e. bankrupts who left Hong Kong and could not be contacted) under BO. The Administration further advised that taking into account the policy content involved in the review, and the fact that more time would be needed to study the issue and conduct necessary research into relevant developments in other common law jurisdictions and consultations, it was not appropriate or possible to include legislative amendment proposals with respect to the "abscondee" regime as a whole in the Bill. Any proposed legislative amendments to the "abscondee" regime should be taken forward in a separate exercise.

To be confirmed

Members of the Bills Committee were concerned about the timeframe for introducing the proposed legislative amendments to the "abscondee" regime and whether public consultation would be conducted. The Bills Committee agreed that the issues should be referred to the Panel for follow-up. The Administration subsequently advised that it was in the process of conducting a research on the "abscondee" regime. Depending on the results of the research in 2009, it will then be in a better position to assess the scope of necessary amendments to BO and the likely timing to pursue such amendments.