

Panel on Financial Affairs

List of outstanding items for discussion

(as at 29 December 2010)

**Proposed timing
for discussion at
Panel meeting**

1. Review of Minimum and Maximum Relevant Income for Mandatory Provident Fund Contribution

7 February 2011

The Mandatory Provident Fund Schemes Ordinance (Cap. 485) prescribes that the Mandatory Provident Fund Schemes Authority (MPFA) must conduct a review of the minimum and maximum relevant income every four years. The Administration proposes to consult the Panel on MPFA's proposal, and tentatively plans to introduce the legislative amendments into Legislative Council in the second quarter of 2011.

2. Briefing on the work of 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.

February 2011,
and May 2011

3. The work 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.

To be confirmed

The Panel conducted a visit to HKMC on 8 February

**Proposed timing
for discussion at
Panel meeting**

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).

Mrs Regina IP wrote to the Panel Chairman on 5 August 2010 requesting HKMC to provide updated information on its operation. Mrs IP's letter and HKMC's reply were issued to members vide LC Paper No. CB(1)2793/09-10(01) and (02) dated 2 September 2010.

Mrs Regina IP wrote to the Chairman on 21 December 2010 requesting the Administration, HKMA and HKMC to brief the Panel on the Small and Medium-sized Enterprises Financing Guarantee Scheme and the Reverse Mortgage Pilot Scheme.

4. Proposed establishment of Policyholders' Protection Fund

The Administration proposes to consult the Panel on detailed proposals in relation to the establishment of a Policyholders' Protection Fund.

1st quarter 2011

5. Budget of the Securities and Futures Commission (SFC) for the financial year of 2011 – 2012

In line with the usual practice, SFC will brief the Panel on its budget for the coming financial year in late February or early March.

1st quarter 2011

6. Regulation of MPF Intermediaries

**Proposed timing
for discussion at
Panel meeting**

The Administration proposes to consult the Panel on the proposal to strengthen the regulatory regime for MPF intermediaries.

1st quarter 2011

7. Depreciation allowances for profits tax in respect of machinery or plants under the Inland Revenue Ordinance (IRO) (Cap. 112)

The Panel discussed the issues relating to the granting of depreciation allowances for profit tax in respect of machinery and plants under the "import processing" arrangement on 14 December 2009. The Panel passed a motion urging the Government to, inter alia, review and amend section 39E of the IRO with a view to granting depreciation allowances for profit tax relating to machinery and plants under the "import processing" arrangements. The Administration's written response dated 10 March 2010 was issued to members vide LC Paper No. CB(1)1371/09-10(02).

1st quarter 2011

At the Panel meeting on 21 October 2010, members noted that the Administration was studying the issue in collaboration with the Joint Liaison Committee on Taxation. Members requested the Administration to report to the Panel the progress of the matter in about three to four months.

The Administration, in a letter dated 7 December 2010, provided the Panel with a copy of the submission of the Joint Liaison Committee on Taxation dated 11 June 2010, the Administration's response to the submission, and the Administration's reply to an oral question raised at the LegCo meeting on 24 November 2010, setting out the outcome of the Administration's review of the matter (LC Paper No. CB(1)717/10-11(01) dated 8 December 2010).

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

**Proposed timing
for discussion at
Panel meeting**

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 2011

9. Review of Mandatory Provident Fund Schemes Compensation Fund

The Administration proposes to brief the Panel on the results of MPFA's review of the levy of Compensation Fund.

July 2011

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. Positive credit data on mortgage loans

At the Panel meeting on 1 November 2010, members expressed concern about the absence of any arrangement for sharing of positive credit data on mortgage loans among financial institutions. The Administration is studying the issue in collaboration with the Privacy Commissioner for Personal Data, and will report to the Panel on the issue in due course.

To be confirmed