

Panel on Financial Affairs

List of follow-up actions
(Position as at 29 December 2010)

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
1. Review of notification and appeal system for disclosure of information under comprehensive avoidance of double taxation agreements	29 December 2009 (date of referral from Bills Committee)	As requested by the Bills Committee on Inland Revenue (Amendment) (No. 3) Bill 2009, the Administration will report to the Panel on Financial Affairs on the effectiveness of the proposed notification and appeal system for disclosure of information under comprehensive avoidance of double taxation agreements 18 months after implementation.	Response awaited
2. Proposed establishment of an independent Insurance Authority (IIA)	12 October 2010	(a) The Administration is requested to provide a detailed comparison between the proposed insurance regulatory arrangements and the relevant arrangements in other jurisdictions. The comparison should in particular address members' concerns about the transition from the existing self-regulatory regime to the	Response awaited

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		<p>establishment of an IIA to assume all regulatory functions over insurance intermediaries, and the proposed arrangement of empowering the Hong Kong Monetary Authority to regulate the sale of insurance products by bank employees.</p> <p>(b) The Administration is requested to provide a comparison between the proposed funding arrangements for the IIA and the relevant arrangements in other jurisdictions, with particular regard to the imposition of a levy on insurance premiums.</p>	
<p>3. Briefing on the work of Hong Kong Monetary Authority (HKMA)</p>	<p>1 November 2010</p>	<p>(a) In connection with members' concern about the absence of any arrangement for sharing of positive credit data on mortgage loans among banks, HKMA is requested to provide information on past cases involving applicants providing false information on their existing mortgage(s) in applying for mortgage loans.</p>	<p>HKMA's response was circulated to members vide LC Paper No. CB(1)571/10-11 on 26 November 2010</p>

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		<p>(b) In relation to members' concern about the adequacy and effectiveness of the measures introduced by the Government to counteract the heated property market, HKMA is requested to provide information on the measures taken by the governments of other jurisdictions (including Singapore, Brazil and Australia) to forestall the risk of a property market bubble.</p>	
<p>4. Creation of a supernumerary directorate post in the Inland Revenue Department</p>	<p>1 November 2010</p>	<p>To address members' concern about the need for creating the proposed supernumerary Chief Assessor (CA) (D1) post, the Administration is requested to –</p> <p>(a) provide quantitative information and analysis about the current workload of the existing staff involved in the negotiation work and other initiatives in relation to Comprehensive Double Taxation Agreements (CDTAs), and the projected workload justifying the creation of the CA post;</p>	<p>Response awaited</p>

Subject	Date(s) of relevant meeting(s)	Follow-up actions	Outcome
		<p>(b) explain why Hong Kong has not yet signed CDTAs with some of its major trading partners and how the creation of the proposed post would speed up the relevant work; and</p> <p>(c) elaborate on, with relevant quantitative information if available, the benefits that CDTAs would bring to Hong Kong taxpayers and the overall economy.</p>	
5. Briefing by the Financial Secretary on Hong Kong's latest overall economic situation	29 November 2010	The Administration was requested to co-ordinate with the HKMA and provide information on the analysis about the impact of the appreciation of Renminbi on Hong Kong's inflation situation.	HKMA's response was circulated to members vide LC Paper No. CB(1)816/10-11 on 15 December 2010.