

Panel on Financial Affairs

List of outstanding items for discussion

(as at 2 March 2011)

- | | Proposed timing
for discussion at
Panel meeting |
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| 1. Regulation of Mandatory Provident Fund Intermediaries | |
| The Administration proposes to consult the Panel on the legislative framework to strengthen the regulatory regime for Mandatory Provident Fund (MPF) intermediaries. The Administration tentatively plans to introduce the legislative proposals into LegCo in the first half of the 2011-12 legislative session. | 4 April 2011 |
| 2. Consultancy study on Risk-based Capital Framework for Insurance Business in Hong Kong | |
| The Administration proposes to consult the Panel on conducting a consultancy study on risk-based capital framework for insurance business in Hong Kong. | 4 April 2011 |
| 3. Progress report on the work of the Financial Reporting Council | |
| The Administration proposes to brief the Panel on the work of the Financial Reporting Council in the past year. | 4 April 2011 |
| 4. Depreciation allowances for profits tax in respect of machinery or plants under the Inland Revenue Ordinance (IRO) (Cap. 112) | |
| The Panel discussed the subject 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 | Proposed to be
deleted
(Please see note) |

**Proposed timing
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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).

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.

Note: The Administration has advised (vide LC Paper No. CB(1)717/10-11(01) dated 8 December 2010) that it has completed a review of the issue in November 2010 and come to the conclusion that there is no justifiable grounds to relax the anti-avoidance provisions in section 39E of the IRO, i.e. the Administration could not provide depreciation allowances for machinery or plants used outside Hong Kong under the import processing arrangement. The Administration proposes to remove this item from this list.

5. 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.

To be confirmed
(Please see note)

Note: The item was previously scheduled for discussion in the first quarter of 2011. The Administration has recently advised that they are at an advanced stage of finalizing the proposals and will advise the Panel on the target date of discussion once ready.

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

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- 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. May 2011
7. **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 2011
8. **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
9. **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
10. **Positive credit data on mortgage loans**
- At the Panel meeting on 1 November 2010, members To be confirmed

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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.

Council Business Division 1
Legislative Council Secretariat
2 March 2011