

Panel on Financial Affairs

List of follow-up actions
(Position as at 2 March 2011)

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 establishment of an IIA to assume all regulatory functions over insurance intermediaries, and the	Response awaited

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		<p>proposed arrangement of empowering the Hong Kong Monetary Authority (HKMA) 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. 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>(b) explain why Hong Kong has not yet signed</p>	<p>The Administration's response was circulated to members vide LC Paper No. CB(1)952/10-11 on 31 December 2010.</p>

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		<p>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>	
<p>4. Creation of a supernumerary Administrative Officer Staff Grade C Post for the establishment of an independent Insurance Authority (IIA) and a Policyholders' Protection Fund</p>	<p>3 January 2011</p>	<p>The Administration is requested to provide:</p> <p>(a) information on the number, rank and grade of the existing staff of the Office of the Commissioner of Insurance and the arrangements for the staff upon the establishment of the IIA; and</p> <p>(b) details about the provisional office, including the functions, staffing, duration and the estimated expenditure of the office.</p>	<p>The Administration's response was circulated to members vide LC Paper No. CB(1)1021/10-11 on 10 January 2011</p>
<p>5. Proposed</p>	<p>3 January</p>	<p>The Administration is requested to provide</p>	<p>The Administration's</p>

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establishment of an Investor Education Council and a Financial Dispute Resolution Centre	2011	information on the percentage of monetary disputes handled by the HKMA and the percentage of stock investors that would be covered if the maximum claimable amount is set at \$1 million.	response was circulated to members vide LC Paper No. CB(1)1071/10-11 on 14 January 2011.
6. Consultation conclusions on the proposed statutory codification of certain requirements to disclose price sensitive information by listed corporations	21 February 2011	<p>(a) In relation to proposed "Safe Harbour D – When the Government's Exchange Fund or a central bank provides liquidity support to the listed corporation", the Administration is requested to provide information on (i) the considerations of HKMA in deciding whether and when such incidents should be disclosed to the public, and (ii) in the case of deciding to keep such incidents secret, the accountability arrangements that HKMA would be subject to for the operation of the Exchange Fund and its other regulatory activities conducted in such incidents.</p> <p>(b) The Administration is requested to provide information on past cases in which corporations listed on more than one exchange failed to make simultaneous disclosure in Hong Kong of information announced in an overseas market,</p>	Response awaited

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		and the outcome of the investigation by the Securities and Futures Commission or the Stock Exchange of Hong Kong.	
7. Review of the minimum and maximum relevant income levels for MPF contributions	21 February 2011	The Administration is requested to provide, before introducing the relevant Bill, a paper to the Panel to report on the decision/proposal of the Administration after taking into account the views received during its consultation with relevant stakeholders.	Response awaited
8. Briefing on the work of HKMA	1 March 2011	In relation to the systemic mismatch between job vacancies and unemployed labour, HKMA is requested to provide a chart, similar to that in slide No. 10 of the Powerpoint presentation materials tabled at the meeting concerning the United States' situation, on the mismatch situation in Hong Kong, and an analysis of the fields of work where a mismatch exists.	Response awaited