

## Panel on Financial Affairs

### List of follow-up actions (Position as at 1 April 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 proposed arrangement of empowering the Hong Kong Monetary Authority (HKMA) to regulate the sale of insurance products by bank employees.	Response awaited

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		(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.	
3. 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</p>	The Administrations' response was circulated to members vide LC Paper No. CB(1)1574/10-11 on 11 March 2011.

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		market, and the outcome of the investigation by the Securities and Futures Commission or the Stock Exchange of Hong Kong.	
4. 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.	The Panel will hold a special meeting on 20 April 2011 to receive public views on the subject.
5. 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.	HKMA's response was circulated to members vide LC Paper No. CB(1)1698/10-11 on 24 March 2011.
6. Budget of the Securities and Futures Commission for the financial year of 2011-2012	28 March 2011	The Securities and Futures Commission (SFC) was requested to provide the following information:  (a) In respect of the complaints against financial institutions on mis-selling of Lehman Brothers	Response awaited

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		<p>Minibonds and related structured products, information on the legal basis, mode and present position of the co-operation between SFC and the Commercial Crime Bureau of the Police in the investigation of relevant cases;</p> <p>(b) Details of the arrangements for internships, and the turnover situation of graduate interns in recent years;</p> <p>(c) Given the significant increases in headcounts and staff costs over the years from 2008-09 to 2011-12, information on the reasons for such marked increases, with details of the increases in workload and new initiatives in various work areas; and</p> <p>(d) In view of the large increase in Professional and Other Expenses, detailed information on the increase in demand for external expert services with a breakdown by the relevant work areas.</p>	