

Panel on Financial Affairs

List of follow-up actions (Position as at 8 June 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. Regulation of Monetary Provident Fund intermediaries	4 April 2011	Before introducing the relevant Bill, the Administration is requested to provide a paper to the Panel to report on the decision/proposal of the Administration.	Response awaited
4. Lehman Brothers Minibonds collateral recovery agreement and related issues	21 April 2011	<p>Pursuant to the question of Hon Paul CHAN, the Receivers are requested to explain, with details of the calculations, the discrepancy between the redemption value of the collateral of the Relevant Series of the Minibonds and the value which is available for distribution to the Minibond holders.</p> <p>Pursuant to the question of Hon Paul CHAN, the Securities and Futures Commission (SFC) is requested to explain whether there is any inconsistency between the statement included in the announcement made on 22 July 2009 that <i>"once the underlying collateral is recovered and paid to the Banks,, if recoveries exceed 70%, the Banks will pay the entire excess amount to eligible customers</i></p>	<p>The response from PricewaterhouseCoopers was issued to members vide LC Paper No. CB(1)2169/10-11 on 13 May 2011.</p> <p>The response from SFC was circulated to members vide LC Paper No. 2310/10-11 on 26 May 2011.</p>

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		<p><i>who have accepted the repurchase offer"</i> and the present recovery and proposed distributions of the value of the collateral for Minibond holders.</p> <p>Pursuant to the question of Hon CHAN Kin-por, SFC is requested to confirm whether investment linked assurance schemes and other insurance products held by a customer at or with Standard Chartered Bank (Hong Kong) Limited are regarded as "Available Assets" under the repurchase scheme agreed between SFC, Hong Kong Monetary Authority and the Bank in relation to the Bank's distribution of equity linked structured notes issued and guaranteed by Lehman Brothers.</p>	
<p>5. Funding proposals for the setting up of the Financial Dispute Resolution Centre (FDRC) and its operating expenses in the first three years</p>	<p>9 May 2011</p>	<p>(a) According to the Administration's proposal, the maximum claimable amount per case of the financial disputes to be handled by FDRC is HK\$500,000. The Administration is requested to confirm whether FDRC will also handle those cases involving a claimable amount exceeding study HK\$500,000 if both the claimants and the financial institutions concerned agree to resolve the disputes through FDRC.</p> <p>(b) The Administration is requested to include</p>	<p>The Administration's response was circulated to members vide LC Paper CB(1)2334/10-11 on 30 May 2011.</p>

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		<p>more details about the FDRC in the funding proposal to be submitted to the Finance Committee, in particular details relevant to the queries and concerns raised by members at this meeting.</p>	
<p>6. Electricity charge subsidy</p>	<p>9 May 2011</p>	<p>The Administration is requested to provide readily available data on electricity consumption and relevant analysis in the funding proposal to be submitted to the Finance Committee to address the concern about the impact of the electricity charge subsidy on electricity consumption.</p>	<p>The Administration's response was circulated to members vide LC Paper No. CB(1)2373/10-11 on 2 June 2011.</p>
<p>7. Briefing on the work of HKMA</p>	<p>23 May 2011</p>	<p>The HKMA is requested to provide the following information:</p> <ul style="list-style-type: none"> (a) the trend of rollover balances of credit cards and the extent to which the credit growth of the banking sector in Hong Kong is attributed to the growth of rollover balances of credit cards; (b) reasons for banks refusing to provide re-mortgage loans to buyers of residential units under the Sandwich Class Housing Scheme, and the relevant guidelines issued by 	<p>Response awaited</p>

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		<p>HKMA to banks;</p> <p>(c) the estimated amounts of Renminbi invested in the property market and securities in Hong Kong, and whether HKMA has taken any measure to prevent/combat money-laundering activities involving the use of Renminbi to purchase properties in Hong Kong; and</p> <p>(d) quantitative information (in tabular form) on residential mortgage lending for individuals and companies in respect of different flat sizes, with details on (i) loan-to-value ratios and (ii) the periods when mortgages were redeemed prematurely.</p>	
<p>8. Policy issues relating to suspension of trading and subsequent buyback of four derivative warrants linked to the Nikkei 225 Index issued by Goldman Sachs Structured Products (Asia) Limited</p>	<p>23 May 2011</p>	<p>The Administration is requested to provide information on the practices of overseas jurisdictions on the regulation of listed structured products, e.g. whether the same body is responsible for approving the listing and regulating the trading of listed structured products, and to address the issue of whether the present arrangement that the Stock Exchange of Hong Kong is responsible for approving the listing and regulating the trading of listed structured products would give rise to conflict</p>	<p>Response awaited</p>

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		of interest.	

Council Business Division 1
Legislative Council Secretariat
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