

立法會
Legislative Council

LC Paper No. CB(3) 712/11-12

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Tel : 3919 3300

Date : 4 May 2012

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

Council meeting of 16 May 2012

Motion on
“Enhancing the accountability of charities and
complying with the best practices in corporate governance”

Hon Paul CHAN has given notice to move the attached motion on “Enhancing the accountability of charities and complying with the best practices in corporate governance” at the Council meeting of 16 May 2012. The President has directed that “it be printed in the terms in which it was handed in” on the Agenda of the Council.

(Mrs Justina LAM)
for Clerk to the Legislative Council

Encl.

(Translation)

**Motion on
“Enhancing the accountability of charities and
complying with the best practices in corporate governance”
to be moved by Hon Paul CHAN
at the Council meeting of 16 May 2012**

Wording of the Motion

That the Charities Sub-committee under the Law Reform Commission of Hong Kong is still collating public submissions after completing its public consultation on the consultation paper on charities in end October last year, and at present, except for those charities that are incorporated as companies limited by guarantee with the Company Registry whose financial statements are accessible by the public in the Company Registry, the public has no way to know about the governance and financial information of all other charities, such as those established by way of trust; moreover, currently, except for section 88 of the Inland Revenue Ordinance, in which ‘charitable purpose’ is defined for the purpose of taxation, there is no other legislation regulating charities and how they use the donations, nor does the Administration have the figures regarding charities established; over the past few years, some suspected cases of charities with strange fund-raising practices, unclear accounts, indiscriminate investments and even transfer of surpluses have been uncovered in society, making the public worry that donations to charities may not be serving charitable purposes; in this connection, this Council urges the Government to expeditiously release to the public the findings of the public consultation on the consultation paper on charities, and before statutory regulation is introduced, consider enhancing the transparency and accountability of charities by adopting measures such as encouraging them to comply with the best practices in corporate governance, strengthen their financial management, and disclose their financial information on a regular basis; at the same time, the Government should expeditiously implement the statutory regulatory proposals in the consultation paper on charities which are generally agreed by the community.