

**Replies to supplementary questions raised by Finance Committee Members
in examining the Estimates of Expenditure 2012-13**

**Director of Bureau : Secretary for Financial Services and the Treasury
Session No. : 14**

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S-FSTB(FS)02	SV037	PAN Pey-chyou	148	Financial Services
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S-FSTB(FS)04	S052	WONG Kwok-hing	148	Financial Services
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**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)01

Question Serial No.

SV035

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Administration is requested to provide information on the number of outstanding complaint cases relating to Lehman Brothers-related investment products.

Asked by: Hon. CHIM Pui-chung

Reply:

As of 8 March 2012, the Hong Kong Monetary Authority (HKMA) received 21 848 Lehman-Brothers-related complaint cases. The investigation of 21 782 cases has been completed. The investigatory process of 66 cases, the majority of which were lodged with the HKMA in 2011 or 2012, is in progress.

As of 8 March 2012, the Securities and Futures Commission has received over 9 200 complaint cases relating to Lehman Brothers-related investment products. More than 9 100 of them have been processed. Around 80 complaint cases remain outstanding.

Signature: _____
Name in block letters: Miss AU King-chi
Permanent Secretary for Financial Services
and the Treasury (Financial Services)
Post Title: _____
Date: 21.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)02

Question Serial No.

SV037

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Administration is requested to provide the following information for each year since the implementation of the Mandatory Provident Fund (MPF) System:

- (a) number of complaints on default MPF contributions by employers and the amounts involved in the cases;
- (b) number of prosecutions filed against employers for defaulting on MPF contributions, the success rate of the prosecutions, and the amounts of money recovered from the employers; and
- (c) the sentences imposed on those employers convicted of defaulting on MPF contributions, and reasons for imposing imprisonment sentence on an employer for default MPF contributions in a recent court case.

Asked by: Hon. PAN Pey-chyou

Reply:

The number of complaints about employers defaulting on MPF contributions and the total amount involved are set out in **Table 1**.

The number of prosecutions filed against default employers, the success rates and the amount of fines involved are set out in **Table 2**.

Under the MPF legislation, employers who fail to make MPF contributions for their employees are subject to a maximum fine of \$450,000 and 4 years' imprisonment. Although in the past the court usually imposed fines on employers convicted of default contributions, we note that in 2 cases heard in December 2011 and February 2012, the court imposed 60 hours of community service and 2 months' imprisonment (with suspended sentence for 12 months) on the relevant employers respectively. We believe the court had taken into account probation reports and all relevant factors in deciding the penalties, including whether the sentence can increase the deterrent effect against non-compliant employers.

Signature: _____

Name in block letters: Miss AU King-chi

Post Title: Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: 21.3.2012

Table 1**Number of Complaints in Relation to Employers Defaulting on
MPF Contributions (2000-01 to 2010-11)**

Year	Number of Complaints	Amount Involved (HK\$ Million)¹
2000-01 (since 1 December 2000)	941	N.A
2001-02	7 441	N.A
2002-03	9 412	N.A
2003-04	10 025	N.A
2004-05	8 911	N.A
2005-06	8 970	N.A
2006-07	8 793	N.A
2007-08	6 763	108
2008-09	7 699	74
2009-10	6 642	64
2010-11	4 605	44

¹ The amounts involved in respect of complaints related to years prior to 2007-08 are not available.

Table 2**Number of Criminal Prosecutions Instigated Against Employers for Defaulting on MPF Contributions
(2000-01 to 2010-11)**

Year	Number of Summons Issued	Successful Conviction Rate²	Average Court Fine per Defendant (HK\$)	Average Fine per Summons (HK\$)
2000-01 ³	10	70%	5,800	4,143
2001-02	407	83%	14,990	3,626
2002-03	756	79%	15,055	2,530
2003-04	1 051	81%	12,834	1,719
2004-05	1 057	83%	13,638	1,937
2005-06	924	77%	14,335	2,661
2006-07	441	84%	18,512	2,910
2007-08	472	87%	17,486	3,148
2008-09	572	88%	12,480	2,031
2009-10	1 142	80%	18,023	2,625
2010-11	2 594	87%	32,974	3,165

² In most of the unsuccessful cases, the summonses had been withdrawn as the defendants had closed and become untraceable, wound up or become bankrupt. Excluding these cases, the overall successful conviction rate would be about 99% for the years 2000-01 to 2010-11.

³ Since 1 December 2000.

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-FSTB(FS)03

Question Serial No.

SV036

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Administration is requested to provide information on the duty visits to overseas countries and the Mainland undertaken by the Secretary for Financial Services and the Treasury and/or other officers of the Financial Services and the Treasury Bureau in the past financial year, with details about the places and purposes of the visits, the participating officers, and the expenditure involved.

Asked by: Hon. TONG Ka-wah, Ronny

Reply:

The Secretary for Financial Services and the Treasury and other officers of the Financial Services and the Treasury Bureau had undertaken 55 duty visits to overseas countries and the Mainland in 2010-11 and the total expenditure was \$3,853,727. Details of these duty visits are set out at Annex.

Signature: _____

Name in block letters: _____

Miss AU King-chi

Post Title: _____

Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: _____

22.3.2012

**Duty Visits to Overseas Countries and the Mainland undertaken
by the Secretary for Financial Services and the Treasury and Other Officers
of the Financial Services and the Treasury Bureau (FSTB) in 2010-11**

**Visits undertaken by the Secretary for Financial Services and the Treasury
and other officers of FSTB**

Place and date of the visit	Purpose of the visit	Post title of officers involved
Beijing (6.4.2010-7.4.2010)	To attend the “Hong Kong-Guangdong Cooperation Framework Agreement” Signing Ceremony	- Secretary for Financial Services and the Treasury - Administrative Assistant
Beijing (13.4.2010-16.4.2010)	To meet with officials of the central ministries	- Under Secretary for Financial Services and the Treasury - Assistant Secretary (2 officers)
Shenzhen (16.4.2010)	To attend the Hong Kong Shenzhen Insurance Intermediaries Forum	- Assistant Commissioner of Insurance
Mauritius (19.4.2010-23.4.2010)	To attend the Corporate Registers Forum Annual Conference 2010	- Assistant Secretary
Beijing (27.4.2010-28.4.2010)	To meet with officials of the central ministries	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Tokyo (27.4.2010-29.4.2010)	To attend the 5 th Asian Forum of Insurance Regulators	- Commissioner of Insurance - Assistant Insurance Officer
Zurich, Paris (27.4.2010-2.5.2010)	To meet with Swiss Financial Markets Supervisory Authority, Supervisory College of Zurich Financial Services Group, ACP & AXA Group	- Assistant Commissioner of Insurance - Insurance Officer
Beijing (5.5.2010-6.5.2010)	To meet with China Insurance Regulatory Commission	- Assistant Commissioner of Insurance - Senior Insurance Officer
Guangzhou (13.5.2010)	To meet with China Insurance Regulatory Commission Guangdong Office	- Commissioner of Insurance - Assistant Commissioner of Insurance - Senior Insurance Officer - Assistant Insurance Officer
Beijing (16.5.2010-19.5.2010)	To attend the Roundtable Symposium – “香港在國家未來發展中的地位和作用” and to meet with officials of the central ministries	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Beijing (16.5.2010-19.5.2010)	To attend the International Seminar on Securities Administrative Sanction Mechanism Reform and Investor Protection organised by the China Securities Regulatory Commission	- Chairman, Market Misconduct Tribunal

Place and date of the visit	Purpose of the visit	Post title of officers involved
Beijing (26.5.2010-28.5.2010)	To sign the Third Protocol to the Arrangement for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income with the State Administration of Taxation and to meet with officials of the central government ministries and representatives of chambers of commerce to discuss matters of mutual concern	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary
Sapporo (30.5.2010-2.6.2010)	To attend the Asia-Pacific Economic Cooperation Senior Finance Officials' Meeting	- Principal Assistant Secretary
Shenzhen (3.6.2010)	To meet with China Insurance Regulatory Commission	- Assistant Commissioner of Insurance - Senior Insurance Officer - Insurance Officer
Washington DC, New York, Montreal, Toronto (6.6.2010-13.6.2010)	To attend the 35 th International Organization of Securities Commissions Annual conference and meet with government officials and finance industry practitioners in the US and Canada	- Permanent Secretary - Assistant Secretary
St. Petersburg, London, Dublin (17.6.2010-24.6.2010)	To attend the 2010 St. Petersburg International Economic Forum, and to sign the Avoidance of Double Taxation Agreement with the United Kingdom and Ireland	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary
Amsterdam (20.6.2010-25.6.2010)	To attend Financial Action Task Force Plenary and Working Group Meetings	- Deputy Secretary - Assistant Secretary
Shanghai (25.6.2010-27.6.2010)	To attend the Lujiazui Forum 2010	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary - Principal Assistant Secretary
Beijing (4.7.2010-5.7.2010)	To meet with National Development and Reform Commission	- Deputy Secretary
Shanghai (6.7.2010)	To attend the Hong Kong and Shanghai Cooperation Forum	- Assistant Secretary
Singapore (12.7.2010-16.7.2010)	To attend the Asia/Pacific Group on Money Laundering Annual Meeting	- Assistant Secretary

Place and date of the visit	Purpose of the visit	Post title of officers involved
Shanghai (19.7.2010-22.7.2010)	To attend the Finance Forum and the meeting of the Hong Kong and Shanghai Cooperation Forum	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary - Permanent Secretary - Principal Assistant Secretary - Assistant Secretary (3 officers) - Principal Insurance Officer - Senior Insurance Officer - Executive Officer I - Executive Assistant
Beijing (28.7.2010-30.7.2010)	To attend the Institute of Finance & Banking, Chinese Academy of Social Science and Standard & Poor's Seminar	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Shenzhen (2.8.2010)	To meet with China Insurance Regulatory Commission and Office of Financial Development Service of Shenzhen Municipality	- Commissioner of Insurance - Assistant Commissioner of Insurance - Senior Insurance Officer - Insurance Officer
Fuzhou (27.8.2010-29.8.2010)	To attend the 6 th Pan-Pearl River Delta Regional Co-operation and Development Forum	- Deputy Secretary - Assistant Secretary
Taipei (28.8.2010-31.8.2010)	To attend the Hong Kong-Taiwan Economic and Cultural Co-operation and Promotion Council meeting	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Moscow (31.8.2010-2.9.2010)	To participate in the Hong Kong business delegation led by the Chief Executive, to strengthen links	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary
Beijing (5.9.2010-7.9.2010)	To meet with Government officials responsible for financial and monetary matters to discuss issues of mutual concern	- Secretary for Financial Services and the Treasury - Administrative Assistant - Assistant Secretary
Shanghai (5.9.2010-8.9.2010)	To study socio-economic development and planning in Shanghai	- Under Secretary for Financial Services and the Treasury
Beijing (6.9.2010)	To meet with China Insurance Regulatory Commission	- Commissioner of Insurance
Guangzhou (16.9.2010)	13 th Plenary of Hong Kong/Guangdong Cooperation Joint Conference	- Under Secretary for Financial Services and the Treasury
Shenzhen (16.9.2010)	To attend the Opening Ceremony of the Shenzhen-Hong Kong Insurance Service Centre	- Commissioner of Insurance
Washington DC (20.9.2010-24.9.2010)	To attend the Financial Action Task Force Meeting of Expert Group A & B	- Senior Insurance Officer
Tokyo (21.9.2010-22.9.2010)	To attend the Asia-Pacific Economic Cooperation 8 th Senior Financial Officials' Meeting	- Deputy Secretary - Assistant Secretary

Place and date of the visit	Purpose of the visit	Post title of officers involved
Dubai (24.9.2010-25.9.2010)	To attend the AR Symposium	- Commissioner of Insurance
New York, Washington DC (4.10.2010-11.10.2010)	To promote Hong Kong as International Financial Centre and understand from US financial regulators and industries the impact of global regulatory reforms	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Paris (17.10.2010-22.10.2010)	To attend Financial Action Task Force Plenary and Working Group Meetings	- Assistant Secretary - Senior Insurance Officer
Bali (18.10.2010-21.10.2010)	To attend the 25 th East Asian Insurance Congress	- Commissioner of Insurance - Assistant Commissioner of Insurance
Dubai (24.10.2010-29.10.2010)	To attend Triennial Meetings and 17 th International Association of Insurance Supervisors Annual Conference	- Commissioner of Insurance - Assistant Commissioner of Insurance - Assistant Insurance Officer
Kyoto (4.11.2010-7.11.2010)	To attend the Asia-Pacific Economic Cooperation Finance Ministers' Meeting	- Deputy Secretary - Assistant Secretary
Beijing (11.11.2010-12.11.2010)	To attend the Captive Insurance Seminar	- Commissioner of Insurance - Senior Insurance Officer - Insurance Officer (2 officers) - Assistant Insurance Officer (2 officers) - Assistant Secretary
London (15.11.2010-18.11.2010)	To attend the promotional activities of Hong Kong as China's Global Financial Center and to meet financial officials to strengthen links	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary - Assistant Secretary
London (28.11.2010-3.12.2010)	To attend the Financial Services Authority Annual International Seminar	- Senior Insurance Officer
Beijing (5.12.2010-6.12.2010)	To attend the China Insurance Regulatory Commission Supervisory College	- Commissioner of Insurance
Beijing (15.12.2010-18.12.2010)	To attend the Caijing Annual Conference 2011 and to meet with officials of the central ministries	- Secretary for Financial Services and the Treasury - Administrative Assistant - Press Secretary
Beijing (24.1.2011-26.1.2011)	To meet with officials of the central ministries	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Shanghai (16.2.2011-19.2.2011)	To attend the “滬港金融高管聯席會議第三次專題研討會”	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Paris (20.2.2011-25.2.2011)	To attend the Financial Action Task Force Plenary and Working Group Meeting	- Senior Insurance Officer - Assistant Secretary

Place and date of the visit	Purpose of the visit	Post title of officers involved
San Francisco (22.2.2011-24.2.2011)	To attend the Asia-Pacific Economic Cooperation (APEC) Finance Deputies Meeting & APEC Finance Inclusion Workshop	- Assistant Secretary
Macau (23.2.2011)	To attend meeting with Ministry of Finance and the Chinese Institute of Certified Public Accountants	- Deputy Secretary - Principal Assistant Secretary - Assistant Secretary
Toronto (23.2.2011-25.2.2011)	To attend the Office of the Superintendent of Financial Institutions (OSFI)/OSFI College of Manulife Supervisors 2011 cum meeting with OSFI, Sun Life and Manulife	- Assistant Commissioner of Insurance - Assistant Insurance Officer
Beijing (25.2.2011)	To attend the second meeting of the Task Force – CEPA Review	- Senior Insurance Officer - Assistant Secretary
New York, Boston (27.2.2011-5.3.2011)	To promote Hong Kong as China's Global Financial Centre and to meet with officials of the regulatory bodies	- Under Secretary for Financial Services and the Treasury - Assistant Secretary
Frankfurt, Brussels (12.3.2011-18.3.2011)	To meet with Frankfurt and Brussels Regulators and promote RMB internationalisation	- Under Secretary for Financial Services and the Treasury
Cape Town (28.3.2011-1.4.2011)	To attend Financial Action Task Force Expert Group A and Expert Group B Meetings	- Assistant Secretary

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)04

Question Serial No.

S052

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With reference to Reply Serial No. FSTB(FS)034, will the Administration advise on the following:

- (a) How many cases of recovering the default contributions through civil action have been filed by the Mandatory Provident Fund Schemes Authority (MPFA) in the past 3 years? What is the amount involved?
- (b) How many contributions has the MPFA recovered in the past 3 years? How many employees are involved? Does the amount recovered represent 100% of the original contributions? If not, what is the average percentage?
- (c) How many employers have been prosecuted in appropriate cases by the MPFA in the past 3 years? How many of them have been convicted?

Asked by: Hon. WONG Kwok-hing

Reply:

In 2008-09, 2009-10 and 2010-11 financial years, the amount of arrears recovered through persuasion and civil action by MPFA after investigation and follow up action is as follows:

Year	Arrears recovered (\$ million)	Number of default contributions cases involved (Note 1)	Percentage of default contributions recovered
2008-09	231.7	37 800	98%
2009-10	166.6	17 200	97%
2010-11	197.4	28 000	98%

Note 1– Individual cases may involve more than one employee. Individual employees may also be involved in more than one case.

In particular, the number of default contributions cases with civil claims filed by MPFA in the three financial years were 1 152, 924 and 716 respectively and the amount involved were around \$52 million, \$48 million and \$26 million.

During the same period, the number of prosecutions initiated by MPFA is as follows:

Year	Number of employers prosecuted	Number of employers convicted (Notes 2 and 3)
2008-09	101	82
2009-10	169	133
2010-11	242	207

Note 2 – As at 31 December 2011.

Note 3 – For the past 3 financial years, the reasons for non-conviction include :

- (1) withdrawal of prosecution due to failure to deliver summons as a result of winding up or closedown of the companies concerned;
- (2) the cases are awaiting processing by the court; and
- (3) the employers concerned were found not guilty by the court.

Signature: _____

Name in block letters: Miss AU King-chi

Post Title: Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: 21.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)05

Question Serial No.

S053

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

- (a) In the Brief Description of this Programme, it is mentioned that the Administration will co-ordinate and facilitate the implementation of new initiatives on financial infrastructure to enhance Hong Kong's competitiveness as well as facilitate market innovation to deepen and broaden the market. Regarding the shortening of the lunch break in the Phase 2 extension of trading hours implemented earlier by the Hong Kong Exchanges and Clearing Limited (HKEx), what measures has the Administration put in place to monitor and assess the impact?
- (b) If the trade considers that the change has a negative impact on the market as well as the health and work of practitioners, will the Administration negotiate with the HKEx for a revision to the original trading hours or a revision of the extension arrangements?

Asked by: Hon. WONG Kwok-hing

Reply:

My answer to the two parts of the question is as follows: -

- (a) As the international financial centre of China, the securities market of Hong Kong is closely connected to the Mainland's. Almost 60% of our market capitalisation and over 70% of our market turnover come from Mainland-related securities, while growing numbers of our derivative products, Exchange Traded Funds (ETFs) and structured products have Mainland-related securities as underlying assets. With the further opening up of the Mainland market and Hong Kong developing into an offshore Renminbi centre, inter-market trading activities and the number of products cross-listed between the Hong Kong and Mainland markets are poised to increase. Market participants have pointed out that, in view of the increasing importance of the Mainland financial market as well as the closer interconnection between the Hong Kong and Mainland markets, the extension of trading hours can allow the trading hours of our market to overlap fully with those in the Mainland. This would help investors make timely response to market information, improve the price discovery function for Mainland-related securities traded in the Hong Kong market, and promote the development of cross-market products.

Moreover, we note that it is a global trend to shorten or even remove the lunch break in the securities markets. For instance, the exchanges in Taiwan, South Korea and Australia do not have any lunch break. The Singapore Exchange has already removed its lunch break since August 2011, while the Tokyo Stock Exchange has shortened their lunch break to 1 hour since November 2011. In this regard, market participants have pointed out that the extension of trading hours will help the Hong Kong market enhance its competitiveness by narrowing the gaps between its trading hours and those of its regional competitors.

- (b) In reviewing and approving the rules relating to Hong Kong Exchanges and Clearing Limited (HKEx)'s proposal of extending trading hours, the Securities and Futures Commission (SFC) has taken into account the results of HKEx's market consultation, which include comments from market practitioners, and the impact brought about by the extension of trading hours to the overall development of the Hong Kong market. Considering that frontline practitioners would need time to adapt to the shorter lunch break, HKEx has implemented the relevant changes in two phases with a 1-year transitional period, so as to facilitate the market to adjust to the revised trading schedule. The SFC considers that the relevant arrangement has provided reasonable time for the market to adjust to and prepare for the changes, it believes that the latest trading hours are important to enhancing the competitiveness of the Hong Kong market.

Signature: _____
Name in block letters: Miss AU King-chi
Post Title: Permanent Secretary for Financial Services
and the Treasury (Financial Services)
Date: 21.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)06

Question Serial No.

S054

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

With regard to the Reply Serial No. FSTB(FS)035, please advise whether the Administration has set a target to facilitate the implementation of the full portability arrangement for the Mandatory Provident Fund within a certain time frame.

Asked by: Hon. WONG Kwok-hing

Reply:

The Employee Choice Arrangement (ECA) will be implemented on 1 November 2012, subject to passage of the Bill to implement a statutory regulatory regime for Mandatory Provident Fund (MPF) intermediaries within the current term of the Legislative Council. ECA will enable employees to transfer the accrued benefits derived from their own mandatory contributions during current employment to a MPF scheme of their own choice at least once per year.

At the same time, the Mandatory Provident Fund Schemes Authority (MPFA) is studying the feasibility of establishing a central database capturing information on the distribution of employees' accrued benefits. MPFA believes that a central database will be a supporting measure for implementing full portability. It expects that preliminary results of the study will be ready within the 2012-13 financial year.

The experience in implementing ECA and the outcome of the feasibility study on a central database will provide a useful basis for MPFA to consider the implementation of full portability arrangement for MPF in future.

Signature: _____

Name in block letters: _____

Miss AU King-chi

Post Title: _____

Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: _____

21.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)07

Question Serial No.

S055

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Regarding Reply Serial No. FSTB(FS)035, would the Administration give information on the following issue?

For more than a decade upon the implementation of the Mandatory Provident Fund Scheme, employees have suffered a loss of over a billion dollars due to the hedge mechanism. It is necessary to review the practice and pluck the loophole. Would the Administration undertake to carry out the relevant study and review as soon as possible?

Asked by: Hon. WONG Kwok-hing

Reply:

The Employment Ordinance has already allowed employers to offset severance payment or long service payment by their contributions in retirement schemes before implementation of the Mandatory Provident Fund (MPF) System. This arrangement was extended to MPF schemes after detailed consultation and balancing different considerations. Reviewing the offsetting arrangement is a complicated issue. It would touch on employees' interests, the affordability of employers, business environment as well as the overall need of Hong Kong's socio-economic development. Any change would need careful study and consensus of different stakeholders. At this stage, we will focus on the various improvement measures of the MPF System.

Signature: _____

Name in block letters: Miss AU King-chi

Post Title: Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: 20.3.2012

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)08

Question Serial No.

S068

Head: 26 Census and Statistics Department Subhead (No. & title):

Programme: (2) Social Statistics

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of Thematic Household Survey, please advise:

- i. the procedures for kicking-off the survey;
- ii. the standards for deciding on the theme of the survey; and
- iii. the themes of the surveys to be conducted in the coming 3 years.

Asked by: Hon. HO Sau-lan, Cyd

Reply:

The Census and Statistics Department (C&SD) has been conducting a series of Thematic Household Surveys (THS) to meet the data requirements of bureaux and departments on different social issues. C&SD will plan and make arrangement for the THS to be conducted in the coming 1 to 2 years in the middle and the end of each year. Bureaux and departments may propose social topics to C&SD on the basis of their requirement for inclusion in the THS.

In deciding on whether a specific topic is appropriate for the THS, C&SD will consider whether the topic is related to public policies; the target population covers the whole or a significant proportion of the Hong Kong population; and reliable data can be collected through the survey.

C&SD conducts 2 to 3 rounds of THS each year. A few topics will be covered in each round of THS, depending on the complexity and contents of the questionnaire. At present, C&SD has planned to conduct THS covering the following topics between January 2012 and January 2014:

- i. Retirement planning and the financial situation in old age;
- ii. Utilisation of child health and family planning services provided by Maternal and Child Health Centres;
- iii. Use of language in Hong Kong;
- iv. Information technology usage and penetration;
- v. Pattern of smoking ;
- vi. Chiropractor consultation;
- vii. Crime and its victims in Hong Kong;
- viii. Time use pattern; and
- ix. Health-related issues.

Topics of the THS to be conducted afterwards will be subject to consultation by C&SD with bureaux and departments.

Signature: _____

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 19.3.2012