

**Panel on Financial Affairs**

**List of Follow-up actions**

(Position as at 29 March 2012)

<b>Subject</b>	<b>Date(s) of relevant meeting(s)</b>	<b>Follow-up actions</b>	<b>Outcome</b>
1. Comprehensive Agreements for Avoidance of Double Taxation (CDTAs)	Referral from the Subcommittee on the Three Orders Made under Section 49(1A) of the Inland Revenue Ordinance and Gazetted on 18 November 2011	The Administration was requested to provide annual reports to the Panel on CDTAs, with information on the costs and benefits of those CDTAs that have been implemented. The Administration agreed to consider how best it could provide relevant information to the Panel for reference.	The Administration's report is awaited
2. Budget of Securities and Futures Commission (SFC) for the 2012-13 financial year	2 March 2012	The legal adviser to the Panel was requested to advise (a) whether the SFC has contravened section 396 of the Securities and Futures Ordinance (SFO) (Cap. 571) in not consulting the Financial Secretary on the reduction of transaction levies, given that its reserves are and will be more than twice its annual expenditure; and (b) whether there are any restrictions under the SFO on the way the reserves are spent.	Response awaited

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3. Briefing on the work of the Hong Kong Monetary Authority (HKMA)	2 March 2012	<p>The HKMA was requested to provide the following information:</p> <ul style="list-style-type: none"><li>(a) The rates of return (before and after discounting the inflation factor) of the investment of the Exchange Fund in the past four years;</li><li>(b) Whether the Chief Executive, HKMA has made any declaration of interest to the Financial Secretary regarding receipt of hospitality treatment/advantages, and whether the information on such declarations, if any, is and can be made accessible to the public; and</li><li>(c) Whether consideration would be given to changing the name of the Hong Kong Mortgage Corporation (HKMC) to more accurately reflect the nature of the businesses of the Corporation.</li></ul>	<p>The HKMA's response was issued to members vide LC Paper No. CB(1)1391/11-12 on 23 March 2012.</p>

<b>Subject</b>	<b>Date(s) of relevant meeting(s)</b>	<b>Follow-up actions</b>	<b>Outcome</b>
4. Review of market entry criteria – proposed amendments to the Seventh Schedule to the Banking Ordinance	2 March 2012	<p>The HKMA was requested to provide the following information:</p> <ul style="list-style-type: none"><li>(a) what existing measures are in place and/or what additional measures will be introduced to regulate the incorporation of banks in Hong Kong in order to ensure the stability of the banking sector, if the "deposit size" and the "three-year" requirements are to be removed;</li><li>(b) a comparison of the market entry criteria for the banking industry in Hong Kong and those adopted in other international financial centres including the United Kingdom, the United States, Australia and Singapore; and</li><li>(c) the relevant legislative amendments.</li></ul>	<p>The response of the Administration and HKMA was issued to members vide LC Paper No. CB(1)1356/11-12 on 20 March 2012.</p>