

Bills Committee on Insurance Companies (Amendment) Bill 2014

**List of follow-up actions arising from the discussion
at the meeting on 22 December 2014**

Power of the independent Insurance Authority ("IIA") to accept gifts

- (a) To address members' concern about possible abuse of IIA's power under the proposed new section 4B(2)(e) of the Insurance Companies Ordinance (Cap. 41) ("ICO") (under Clause 13) in accepting gifts (接授饋贈), the Administration is requested to: (i) consider a members' suggestion to specify in the provision that the acceptance of gifts is subject to the relevant provisions of the Prevention of Bribery Ordinance (Cap. 201), and (ii) advise the future IIA to devise internal guidelines on the acceptance of gifts by IIA and its staff.

Process Review Panel

- (b) As the Bill has not provided for the establishment of a Process Review Panel ("PRP") for IIA, in response to a member, the Administration is requested to consider the written submission from the industry to include provisions in the Bill for the establishment of PRP under the proposed new section 4D of ICO (under Clause 13).

Engagement of consultants, agents and advisors

- (c) On the appointment of IIA's staff and consultants, and determination of their remuneration and terms and conditions in the proposed new section 4E of ICO (under Clause 13), members have stressed the need to ensure the proper discharge of these functions by IIA. The Administration is requested to consider members' suggestions to specify clearly in the provisions: (i) that IIA must decide on the above matters according to its "actual needs" and in a "reasonable manner" (i.e. 按該局實際情況,合理地決定報酬、津貼、條款及條件), and (ii) the type of consultants, agents and advisors that IIA may engage.

- (d) In relation to the proposed new section 4E(3) of ICO (under Clause 13), the Administration is requested to provide information on the consultants, agents and advisors engaged by other financial regulators (like the Securities and Futures Commission), including the type and number of such consultants, agents and advisors, and their remuneration, and terms and conditions, etc.

Drafting issues (Chinese text of the Bill)

- (e) In respect of the proposed new sections 4AA(1)(b) and (c) of ICO (under Clause 11), the Administration has agreed to consider the need to add the word "and" between the two subsections concerned.
- (f) In respect of the proposed new section 4AA(5) of ICO (under Clause 11), the Administration has agreed to review the phrase "如有不符合本條的情況出現" to better clarify the purpose of subsection (5).
- (g) In respect of the proposed new section 4D(4) of ICO (under Clause 13), the Administration has agreed to review the provision to clarify the meaning of "某項事宜".

Council Business Division 1
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