

**Provisional Insurance Authority
Budget for 2016-17**

	<u>Note</u>	<u>HK\$ million</u>
A. <u>Income and Expenditure Statement</u>		
<u>Income</u>		
(a) Provision from the Government ¹		450.0
(b) Interest income	1	0.1
(c) Fees	2	7.7
Total Income		<u>457.8</u>
 <u>Operating Expenditure</u>		
(a) Staff cost	3	52.5
(b) Office rental and related expenses	4	29.4
(c) Engagement of professional services	5	12.7
(d) Remuneration to Members		2.5
(e) Depreciation	6	1.6
(f) Miscellaneous expenses	7	1.5
Total Expenditure		<u>100.2</u>
 Reserve	 8	 <u><u>357.6</u></u>
 B. <u>Capital Expenditure Statement</u>		
(a) Office set-up	9	<u><u>28.7</u></u>

¹ The provision to be allocated to the Provisional Insurance Authority ("the Authority") is \$450 million in 2016-17.

Notes to the Budget for 2016-17

1. Interest income

An annual interest rate of 0.02% is assumed in the calculation of the estimated interest income on the provision to be allocated in 2016-17.

2. Fees

Assuming the relevant pieces of subsidiary legislation to enable the collection of the proposed levy, authorization (fixed and variable) fees and user fees by the Authority take effect in the 2017-18 financial year, the Authority will in the meantime continue to collect the existing authorization fee (\$227,300) payable by insurance companies to the Office of the Commissioner of Insurance (“OCI”) when it takes over the functions of OCI in end 2016.

3. Staff cost

The staff cost covers mainly salary, contributions to Mandatory Provident Fund schemes, medical insurance and employee compensation insurance. Based on the recommendations of a consultancy study earlier commissioned by the Government with the estimated staffing requirement and budget updated by the Consultant in November 2015², the Authority will have an initial establishment of 299 staff members (including the Chief Executive Officer). It is assumed that key personnel will be recruited in phases in 2016-17 and the total staff cost is estimated on a pro-rata basis.

4. Office rental and related expenses

This item includes office rental, management fees, utility charges, government rent/rates as well as other related expenses such as general office insurance and telephone rental.

5. Engagement of professional services

This item involves mainly engagement of services providers in connection with executive search services for staff recruitment, project

² The consultancy study was carried out by the PricewaterhouseCoopers.

management of office accommodation, legal and audit services.

6. Depreciation

With reference to the Consultant's recommendations, the estimated depreciation is calculated to write off the cost of fixed assets (such as furniture and fixtures as well as office and information technology equipment) using the straight-line method over their estimated useful lives of either three or five years.

7. Miscellaneous expenses

This item includes mainly expenses on website development and system maintenance.

8. Reserve

The reserve is required, partly as seed money and partly as provision necessary to support the Authority's initial years of operation. Based on the Consultant's findings, the Authority will face a shortfall of about \$450 million in the first two years of operation.

9. Office set-up

The cost estimate includes office renovation and fitting-out works, acquisition of furniture as well as office and information technology equipment on a one-off basis.

臨時保險業監管局
二零一六至一七年度預算

	<u>註釋</u>	<u>港元 百萬</u>
A. <u>收支報表</u>		
<u>收入</u>		
(a) 政府撥款 ¹		450.0
(b) 利息收入	1	0.1
(c) 各項收費	2	7.7
總收入		<u>457.8</u>
 <u>經營開支</u>		
(a) 員工開支	3	52.5
(b) 辦事處租金及有關的開支	4	29.4
(c) 僱用專業服務的開支	5	12.7
(d) 保監局成員的報酬		2.5
(e) 折舊	6	1.6
(f) 雜項開支	7	1.5
總開支		<u>100.2</u>
 儲備金	 8	 <u><u>357.6</u></u>
 B. <u>非經營開支報表</u>		
(a) 設立辦事處所需開支	9	<u><u>28.7</u></u>

¹ 政府會在二零一六至一七年度向臨時保險業監管局(“保監局”)撥款 4.5 億元。

二零一六至一七年度預算的註釋

1. 利息收入

在計算二零一六至一七年度可得撥款的預計利息收入時，假設年利率為 0.02%。

2. 各項收費

假設賦權保監局收取擬議的徵費、授權費(定額及非定額)及使用者服務費的相關附屬法例在二零一七至一八財政年度生效，保監局在二零一六年年底接手保險業監理處(“保監處”)的職能。在此期間，保監局會繼續向保險公司收取現時由保監處收取的授權費(227,300 元)。

3. 員工開支

員工開支主要包括薪金、強制性公積金計劃供款、醫療保險及僱員補償保險。政府早前委託顧問進行研究²，顧問其後在二零一五年十一月更新了保監局的預計人手需求和財政預算；根據顧問的建議，保監局初期的人手編制會有 299 名職員(包括行政總監)。假設保監局會在二零一六至一七年度分階段招聘主要人員，而員工總開支則按比例估算。

4. 辦事處租金及有關的開支

包括辦事處租金、管理費、公用設施收費、地租 / 差餉，以及一般辦公室保險和電話租用費等其他相關開支。

5. 僱用專業服務的開支

主要包括僱用各類服務供應商的費用，所需服務為行政人員招聘、辦公室項目管理、法律及審計服務。

² 有關顧問研究由羅兵咸永道會計師事務所進行。

6. 折舊

根據顧問的建議，折舊的估算方法是用固定資產(例如家具及固定裝置、辦公室及資訊科技設備等)的成本值，除以其預計可使用年期(三或五年)，以直線法攤銷。

7. 雜項開支

主要包括網站開發和系統維修保養的開支。

8. 儲備金

保監局須設立儲備金，部分用作種子基金，部分則用作保監局首數年所需的營運經費。顧問研究的結果顯示，保監局投入運作後首兩年的營運赤字約為 4.5 億元。

9. 設立辦事處所需開支

開支預算計及裝修辦事處、添置家具，以及購置辦公室和資訊科技設備的費用。有關費用以一筆過方式支付。