



LC Paper No. CB(1)1101/16-17(02)

Legal Service Division  
Legislative Council Secretariat  
Legislative Council Complex  
1 Legislative Council Road  
Central  
Hong Kong

**Attention: Ms. Clara Tam**

7 June 2017

Dear Madam,

**Re: Bank of Communications (Hong Kong) Limited (Merger) Bill (the "Bill")**

In response to your letter dated 31 May 2017, I write to set out the reasons for adopting the two revisions to the Bill:

- (a) in paragraph (c) of the definition of "excluded property and liabilities" in clause 2(1) of the Bill, the expression "(including treasury)" is deleted because:

Having considered the comments and the original intention for proposing the amendment, Bank of Communications Co., Ltd. Hong Kong Branch considers that it would be best to effect the amendment since the provision under the amended paragraph (c) is generic enough to cover all the "excluded property and liabilities" so long as the business involved is not solely related to retail banking business and/or private banking business of Bank of Communications Co., Ltd. Hong Kong Branch.

- (b) in clause 6(b) of the Bill, the expression "(or any existing contract to which it was a party in respect of the excluded property and liabilities)" is added because:

The intention of paragraph 6(b) is to capture contracts for which Bank of Communications Co., Ltd. Hong Kong Branch or Bank of Communications Co., Ltd. (in the conduct of its retail or private banking business) is not a party but such contract relates to, or is in relation to (which is the wording in paragraph 6(a)), the "undertakings" of Bank of Communications Co., Ltd. Hong Kong Branch. For example, if a retail customer gives a standing instruction to HSBC to transfer a specified amount from the customer's HSBC account to a bank account in the name of the same retail customer opened with Bank of Communications Co., Ltd. Hong Kong Branch, that document would specify a bank account number with Bank of Communications Co., Ltd. Hong Kong Branch which falls within the ambit of the "undertakings". On the



appointed day, with the effect of the Bill, the reference to that bank account number in the HSBC standing instruction would be changed to the customer's same account which would be transferred from Bank of Communications Co., Ltd. Hong Kong Branch to Bank of Communications (Hong Kong) Limited. The proposed amendment would like to achieve the same effect with a contract to which Bank of Communications Co., Ltd. Hong Kong Branch is a party in respect of the excluded property and liabilities (e.g. in the conduct of its corporate banking business), but which contract relates to, or is in relation to, the "undertakings" of Bank of Communications Co., Ltd. Hong Kong Branch. Accordingly, Bank of Communications Co., Ltd. Hong Kong Branch is of the view that the proposed amendment is appropriate for the purpose of achieving this effect.

I hope the above could answer your enquiries satisfactorily. Should you have any further question, please do not hesitate to contact me. Many thanks.

Yours faithfully,

Chan Chun-ying  
Legislative Councillor