

**Panel on Financial Affairs**

**List of outstanding items for discussion**

(as at 8 November 2016)

**Proposed timing  
for discussion at  
Panel meeting**

**1. Briefing by the Financial Secretary ("FS") on Hong Kong's latest overall economic situation**

The Panel has invited FS to brief the Panel and all other LegCo Members on macro economic issues on a regular basis since mid-1999. Such briefings are normally held in June and December each year.

December 2016  
June 2017

**2. 2017-2018 Budget consultation**

FS will consult LegCo on the 2017-2018 Budget.

December 2016

**3. Legislative proposals to enhance the position limit regime**

The Administration will brief the Panel on the proposed amendments to the Securities and Futures (Contracts Limits and Reportable Positions) Rules to enhance the position limit regime for the futures and options market in Hong Kong.

December 2016

The Administration plans to table the relevant amendment rules at LegCo in January 2017.

**4. Implementation of the Organisation for Economic Co-operation and Development's ("OECD") measures against Base Erosion and Profit Shifting ("BEPS")**

In November 2015, G20 endorsed a package of measures proposed by the OECD to tackle BEPS. According to the Administration, Hong Kong has taken part in the initiative and the Government has been mapping out its work priorities and implementation strategy. The Administration will consult the stakeholders on the

December 2016

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strategy for implementing the relevant proposals and make preparations for the necessary legislative amendments.

**5. Briefing on the work of the Financial Services Development Council ("FSDC")**

FSDC will provide updates on its work progress during 2016.

January 2017

**6. Proposed amendments to the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance ("AMLO") to enhance the regulation of certain designated non-financial businesses and professions, and the Companies Ordinance to enhance transparency of the beneficial ownership of companies**

The Administration will brief the Panel on the proposed amendments to AMLO (Cap. 615) to prescribe statutory customer due diligence and record-keeping requirements applicable to designated non-financial businesses and professions, and the Companies Ordinance (Cap. 622) to require companies incorporated in Hong Kong to maintain a register of beneficial ownership for inspection by law enforcement agencies and the public. The proposed requirements are to ensure that the regulatory framework of Hong Kong is in line with the global anti-money laundering standards set by the Financial Action Task Force.

January 2017  
(tentative)

The Administration plans to introduce the relevant amendment bills into LegCo after mid 2017.

**7. Asian Development Bank – the 11<sup>th</sup> Replenishment of the Asian Development Fund**

The Administration proposes to brief the Panel on the funding proposal for Hong Kong to contribute to 11<sup>th</sup> replenishment of the Asian Development Fund (ADF XII).

January 2017  
(tentative)

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**8. Briefing on the work of Hong Kong Monetary Authority ("HKMA")**

The Chief Executive of HKMA briefs the Panel on the work of HKMA on a regular basis. Such briefings are normally held in February, May and November each year.

February 2017  
May 2017

**9. Briefing by Secretary for Financial Services and the Treasury on relevant policy initiatives in the Chief Executive's 2017 Policy Address**

The Secretary for Financial Services and the Treasury will brief the Panel on relevant policy initiatives in the Chief Executive's 2017 Policy Address.

February 2017

**10. Budget of Securities and Futures Commission ("SFC") for the financial year of 2017-2018**

In line with the usual practice, SFC will brief the Panel on its budget for the coming financial year in February or March.

February / March  
2017

**11. Budget of IIA for the financial year 2017-2018**

In line with the practice in 2016-2017, IIA will brief the Panel on the main features of its budget for the coming financial year.

February / March  
2017

**12. Proposed amendments to the Banking Ordinance to enhance the provisions on banks' exposure limits to meet prevailing international standards, and to implement requirements for banks to make recovery plans**

The Administration will brief the Panel on the proposed amendments to the Banking Ordinance (Cap. 155) to: (a) empower the Monetary Authority to implement the exposure limits standards prescribed by the Basel Committee on Banking Supervision in form of subsidiary legislation; and (b) prescribe requirements for banks to

1<sup>st</sup> quarter of 2017  
(tentative)

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prepare recovery plan, with a view to ensuring that banks are well prepared to react quickly to, and to recover from, severe stress, through their own actions.

The Administration plans to introduce the relevant amendment bill into LegCo after mid 2017.

**13. Consultation on the proposed enhancements to the Stock Exchange of Hong Kong Limited's ("SEHK") decision-making and governance structure for listing regulation**

SFC and the Hong Kong Exchanges and Clearing Limited ("HKEX") launched on 17 June 2016 a three-month consultation on proposed enhancements to SEHK's decision-making and governance structure for listing regulation. SFC and HKEX decided in September 2016 to extend the deadline of the consultation to 18 November 2016.

April 2017  
(tentative)

At the meeting on 18 October 2016, Hon Dennis KWOK and Hon Mrs Regina IP suggested that the Panel should discuss the issue. Mr KWOK's letter dated 18 October 2016 to the Chairman was issued to members vide LC Paper No. CB(1)61/16-17(04) on 4 November 2016.

**14. Subsidiary legislation and code relating to the open-ended fund company ("OFC") regime**

The Administration proposes to brief the Panel on the OFC Rules and Code, which will set out the operational details of the OFC regime.

June 2017  
(tentative)

The Administration plans to table the relevant subsidiary legislation at LegCo in March 2018.

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**15. Regulation on "protected arrangements" to be made as subsidiary legislation under the Financial Institutions (Resolution) Ordinance**

The Administration proposes to brief the Panel on the regulation on "protected arrangements" to be made under the Financial Institutions (Resolution) Ordinance (Cap. 628). The regulation seeks to restrict the ability of a resolution authority to exercise resolution powers with a view to safeguarding the economic effect of the protected arrangements, which are vital to the daily operation of financial markets.

2<sup>nd</sup> quarter of 2017

The Administration plans to the relevant subsidiary legislation at LegCo in 2017.

**16. Annual briefing on the work of the Financial Reporting Council ("FRC")**

In line with the usual practice, FRC will brief the Panel on the work of FRC in the past year and the work plan for the year ahead.

2<sup>nd</sup> quarter of 2017

**17. Regulatory arrangements to tackle malpractices by financial intermediaries for money lending ("financial intermediaries")**

During the Fifth LegCo, the Administration briefed the Panel on its proposed measures to tackle the malpractices by financial intermediaries. One of the proposed measures was to introduce more stringent regulatory measures by imposing additional licensing conditions on money lender licences.

2<sup>nd</sup> quarter of 2017  
(tentative)

At the meeting on 18 October 2016, Hon Alice MAK suggested that the Administration should update the Panel on the progress of the proposed measures, including the timetable of implementing the various proposed measures. (Ms MAK's letter dated 20 October 2016 to the Chairman was issued to members vide LC Paper No. CB(1)61/16-17(02) on 4 November 2016.) Hon Dennis

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KWOK requested the Administration to brief members on the latest development regarding conducting a review on the Money Lenders Ordinance (Cap. 163).

The Administration has been requested to provide an information paper to update members on the results of consultation with the industry on the proposed measures to tackle the malpractices by financial intermediaries and the latest timetable of implementing the measures.

**18. Strategies and measures to develop financial technologies ("Fintech")**

During the Fifth LegCo, the Administration briefed the Panel on its strategies and measures to support the development of Fintech in Hong Kong.

2<sup>nd</sup> quarter of 2017  
(tentative)

At the meeting on 18 October 2016, Hon Charles Peter MOK suggested that the Administration should update the Panel on the progress of its initiatives in promoting the development of Fintech. Mr MOK's letter dated 18 October 2016 to the Chairman has issued to members vide LC Paper No. CB(1)61/16-17(05) on 4 November 2016.