

Panel on Financial Affairs

List of follow-up actions
(Position as at 28 December 2016)

| Subject | Date(s) of relevant meeting(s) | Follow-up actions | Outcome |
|---|---------------------------------------|--|---|
| 1. Briefing on the work of Hong Kong Monetary Authority | 15 November 2016 | <p>The Hong Kong Monetary Authority ("HKMA") was requested to provide the following information:</p> <ul style="list-style-type: none"> (a) Exchange Fund ("EF")'s investment, if any, in (i) bonds issued by the Central Government and Mainland corporations, and (ii) precious metals; and the relevant details; (b) the annual return rate of EF for the period from 2001 to 2016; (c) measures to manage risks arising from recent volatilities in the currency markets on EF's investment on foreign currencies; (d) the involvement of money lenders in the primary and secondary mortgage market (such as the amount of loans they offer and the risk exposure of banks to such money lenders), and HKMA's assessment of the potential risks of such activities to Hong Kong's financial | HKMA's response was issued to members vide LC Paper No. CB(1)355/16-17(02) on 21 December 2016. |

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| | | <p>stability;</p> <p>(e) HKMA's guidelines to banks on the provision of banking services for the socially disadvantaged and less privileged groups; and</p> <p>(f) comparison of Hong Kong and Singapore on the performance as asset management centre in Asia, including their respective positions in the management of private equity funds, the number of private banks opened, and the total capital under management in private equity funds.</p> | |
| <p>2. Proposed creation of a non-civil service Executive Director position in the Financial Services Development Council ("FSDC") Secretariat of the Financial Services Branch of the Financial Services and the Treasury Bureau</p> | <p>15 November 2016</p> | <p>The Administration was requested to provide for members' information a copy of FSDC's response to the joint consultation paper issued by the Securities and Futures Commission and the Stock Exchange of Hong Kong ("SEHK") on proposed enhancements to SEHK's decision-making and governance structure for listing regulation in June 2016.</p> | <p>The Administration's response was issued to members vide LC Paper No. CB(1)326/16-17(02) on 16 December 2016.</p> |
| <p>3. Difficulties encountered by certain</p> | <p>15 November 2016</p> | <p>HKMA was requested to take the following actions:</p> | <p>HKMA's response was issued to members vide</p> |

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| enterprises in opening bank accounts | | <p>(a) to provide HKMA's guidelines for banks in (i) processing applications for opening accounts by and (ii) providing banking services to, politically exposed persons and their family members, owners' corporations and ethnic minorities;</p> <p>(b) to provide information on the follow-up taken by HKMA and the banking industry on complaints about difficulties encountered by politically exposed persons and their family members, owners' corporations and ethnic minorities in opening accounts; and</p> <p>(c) to provide half-yearly report on the situation regarding the issue of difficulties encountered by enterprises in opening bank accounts and the progress of improvement measures taken by HKMA and the banking industry in addressing the issue.</p> | LC Paper No. CB(1)326/16-17(03) on 16 December 2016. |

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| <p>4. Briefing on the proposed Members' Bill – Bank of Communications (Hong Kong) Limited (Merger) Bill</p> | <p>5 December 2016</p> | <p>In relation to the transfer of the retail banking business and private banking business of the Bank of Communications, Hong Kong Branch to the Bank of Communications (Hong Kong) Limited ("Bank of Communications (Hong Kong)") under the proposed Bill, Bank of Communications, Hong Kong Branch was requested to provide information demonstrating the financial soundness (e.g. its capital base and asset allocation) and relevant to the operation of the retail and private banking businesses of Bank of Communications (Hong Kong) in order to ensure that customers' interests would be protected during the transfer.</p> | <p>The written response from Hon CHAN Chun-ying's office was issued to members vide LC Paper No. CB(1)358/16-17(02) on 22 December 2016.</p> |
| <p>5. Consultation on measures to counter Base Erosion and Profit Shifting</p> | <p>14 December 2016</p> | <p>The Administration was requested to provide information on the number of companies in Hong Kong which satisfy the following two conditions, and hence are not required to prepare the master and local files under the proposed measures to counter Base Erosion and Profit Shifting:</p> <ul style="list-style-type: none"> (a) total annual revenue not more than HK\$100 million; and (b) no more than 100 employees. | <p>The Administration's response awaited.</p> |

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| 6. Legislative proposals to enhance the position limit regime | 14 December 2016 | The Administration was requested to provide in collaboration with the Securities and Futures Commission a paper comparing the proposed enhancements to the position limit regime in Hong Kong and the relevant rules in the regimes of New York, London and Singapore. | The Administration's response awaited. |

Council Business Division 1
Legislative Council Secretariat
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