

Panel on Financial Affairs

List of outstanding items for discussion
(as at 1 February 2017)

**Proposed timing
for discussion at
Panel meeting**

1. Proposed amendments to the Banking Ordinance to enable the implementation of international standards for banking regulation in Hong Kong

The Administration will brief the Panel on the proposed amendments to the Banking Ordinance (Cap. 155) to empower the Monetary Authority to prescribe standards for financial exposure limits incurred by Authorized Institutions ("AIs"), and to require AIs to maintain and implement recovery plans.

March 2017

The Administration plans to introduce the relevant amendment bill into the Legislative Council ("LegCo") in June 2017.

2. The independent Insurance Authority's ("IA") budget for the financial year 2017-2018

In line with the practice in the 2015-2016 legislative session, IA will brief the Panel on the main features of its budget for the financial year 2017-2018.

March 2017

3. Update on Implementation of automatic exchange of financial account information in tax matters ("AEOI")

Hong Kong has in place a legal framework for implementation of AEOI, and has signed agreements with Japan and the United Kingdom for conducting AEOI on a bilateral basis. The Administration plans to expand Hong Kong's AEOI network with other tax jurisdictions, and will brief the Panel on the latest international developments relating to AEOI and its

March 2017

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response.

4. Regulations on "protected arrangements" to be made as subsidiary legislation under the Financial Institutions (Resolution) Ordinance

The Administration proposes to brief the Panel on the regulations on "protected arrangements" to be made under the Financial Institutions (Resolution) Ordinance (Cap. 628). The regulations seek 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.

April 2017
(tentative)

The Administration plans to table the relevant subsidiary legislation at LegCo in the first half of 2017.

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

The Securities and Futures Commission ("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.

The Panel has tentatively scheduled to discuss the issue at its regular meeting in April 2017. At the special meeting on 14 December 2016, the Panel agreed to

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consult members on Hon Mrs Regina IP's suggestion of advancing the discussion by holding a special meeting before the Lunar New Year in January 2017. The Chairman decided not to hold a special meeting in January 2017 having regard to members' feedback.

6. 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.

May 2017

7. 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.

June 2017

8. 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.

9. 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.

2nd quarter of 2017

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10. 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.

2nd 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 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. The information paper was circulated to members vide LC Paper No. CB(1)221/16-17 on 1 December 2016.

11. 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.

2nd 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

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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.

12. Operation of the Future Fund ("FF")

In his Budget Speech for 2015-2016, FS announced the decision to establish an FF for placement in longer-term investments with a view to securing higher returns for the fiscal reserves. The FF was set up on 1 January 2016.

To be confirmed

Dr Hon Fernando CHEUNG suggested in his letter dated 10 November 2016 that the Panel should discuss the issue of the operation of FF. Dr CHEUNG's letter and the Administration's written response were circulated to members vide LC Paper Nos. CB(1)272/16-17(01) and (02) on 9 December 2016.

At the meeting on 3 January 2017, Dr CHEUNG reiterated that the Panel should discuss issues relating to the operation of FF, including the investment strategy and conditions under which the Administration could withdraw funding from FF.