

立法會
Legislative Council

LC Paper No. CB(1)129/17-18

(These minutes have been
cleared with the Chairman)

Ref : CB1/PL/FA/1

Panel on Financial Affairs

**Minutes of meeting held on
Thursday, 12 October 2017 at 10:00 am
in Conference Room 3 of the Legislative Council Complex**

Members present : Hon Kenneth LEUNG (Chairman)
Hon Christopher CHEUNG Wah-fung, SBS, JP
(Deputy Chairman)
Hon James TO Kun-sun
Hon Tommy CHEUNG Yu-yan, GBS, JP
Hon Jeffrey LAM Kin-fung, GBS, JP
Hon WONG Ting-kwong, GBS, JP
Hon Starry LEE Wai-king, SBS, JP
Hon CHAN Hak-kan, BBS, JP
Hon CHAN Kin-por, GBS, JP
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Hon WU Chi-wai, MH
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK, JP
Hon Dennis KWOK Wing-hang
Hon Martin LIAO Cheung-kong, SBS, JP
Ir Dr Hon LO Wai-kwok, SBS, MH, JP
Hon Jimmy NG Wing-ka, JP
Hon Holden CHOW Ho-ding
Hon SHIU Ka-fai
Hon YUNG Hoi-yan
Hon CHAN Chun-ying
Hon CHEUNG Kwok-kwan, JP
Hon LUK Chung-hung
Hon Kenneth LAU Ip-keung, BBS, MH, JP

Members absent : Hon Abraham SHEK Lai-him, GBS, JP
Hon CHU Hoi-dick
Dr Hon Junius HO Kwan-yiu, JP

Clerk in attendance : Ms Connie SZETO
Chief Council Secretary (1)4

Staff in attendance : Ms Anita SIT
Assistant Secretary General 1

Mr Hugo CHIU
Senior Council Secretary (1)4

Miss Sharon LO
Senior Council Secretary (1)9

Mr Keith WONG
Council Secretary (1)4

Miss Queenie LAM
Senior Legislative Assistant (1)2

Ms Sharon CHAN
Legislative Assistant (1)4

Ms Christy YAU
Legislative Assistant (1)7

Ms Haley CHEUNG
Legislative Assistant (1)9

Ms Vivian CHAN
Clerical Assistant (1)4

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I Election of Chairman and Deputy Chairman

Election of Chairman

Mr Christopher CHEUNG, Chairman of the Panel on Financial Affairs ("the Panel") in office, presided over the election of Chairman for the 2017-2018 session and invited nominations for the chairmanship.

2. Mr Kenneth LEUNG was nominated by Mr James TO and the nomination was seconded by Mr WU Chi-wai. Mr LEUNG accepted the nomination. There being no other nomination, Mr Christopher CHEUNG declared that Mr Kenneth LEUNG was elected the Chairman of the Panel. Mr LEUNG took the chair.

Election of Deputy Chairman

3. The Chairman invited nominations for the deputy chairmanship for the 2017-2018 session. Mr Christopher CHEUNG was nominated by Ms Starry LEE and the nomination was seconded by Dr LO Wai-kwok. Mr CHEUNG accepted the nomination. There being no other nomination, the Chairman declared that Mr Christopher CHEUNG was elected the Deputy Chairman of the Panel.

II Schedule of meetings for the 2017-2018 session

4. The Chairman referred members to the proposed schedule of meetings for the 2017-2018 session tabled at the meeting. Members agreed that the monthly regular meetings of the Panel would be held on the first Monday of each month from 9:30 am to 12:30 pm except in January, April and July 2018 in which the meeting dates had to be re-scheduled due to clashes with public holidays.

(Post-meeting note: The schedule of regular meetings of the Panel for the 2017-2018 session was issued to members vide LC Paper No. CB(1)25/17-18 on 12 October 2017.)

III Items for discussion at the next meeting

(Appendix V to LC Paper No.— List of outstanding items
CB(1)8/17-18 for discussion)

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Appendix VI to LC Paper No.— List of follow-up actions)
CB(1)8/17-18

Policy briefing on 20 October 2017

5. Members noted that a special meeting would be held on 20 October 2017 at 9:00 am for the Secretary for Financial Services and the Treasury to brief the Panel on the relevant policy initiatives in the Chief Executive's 2017 Policy Address.

Regular meeting on 6 November 2017

6. Members agreed to discuss the following items proposed by the Administration at the regular meeting scheduled for 6 November 2017, from 9:30 am to 12:30 pm:

- (a) briefing on the work of the Hong Kong Monetary Authority;
- (b) construction of Inland Revenue Tower in Kai Tak Development Area; and
- (c) proposed incorporation of the Financial Services Development Council.

Proposed discussion items for future meetings

7. Mr CHAN Chun-ying and Mrs Regina IP suggested that the Administration should update the Panel on the development of financial technologies ("Fintech") and digital currency in Hong Kong, particularly in the banking, insurance and securities sectors.

8. Mrs Regina IP suggested that the Panel should discuss the establishment of a sovereign wealth fund in Hong Kong, including feasibility of the proposal and the pros and cons, making reference to successful overseas examples (e.g. sovereign wealth fund set up in Norway and the Temasek Holdings established by the Government of Singapore). She further suggested that the Panel should discuss matters relating to enhancing opportunities for the financial services sector and the flow of capital in the development of Guangdong-Hong Kong-Macao Bay Area ("Bay Area"). She added that the Panel might consider conducting a duty visit to the Bay Area to study the development of Fintech in areas like Dongguan and Foshan.

9. Mr Christopher CHEUNG suggested that the Panel should discuss matters relating to the use of online client identity verification in the account

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opening process by local securities firms, and measures to assist small and medium-sized enterprises in the local securities industry to apply Fintech in their operations, which could help the local securities industry to participate in the development of the Bay Area and expand business in the Mainland.

10. Ms Starry LEE concurred that the Panel could explore the feasibility of conducting a joint-Panel duty visit to the Mainland with other relevant Panels to enable Members to understand the latest development on initiatives, such as the establishment of free trade zones, the implementation of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, etc. Ms LEE further suggested that the Administration should update the Panel on the work of the Mandatory Provident Fund ("MPF") Schemes Authority ("MPFA") in enhancing MPF System, including MPFA's initiatives and measures to further drive down the management fees of MPF schemes.

(Post-meeting note: At the meeting of the Panel on Economic Development held on 12 October 2017, a proposal to conduct a duty visit to the Bay Area was raised. Panel Chairman gauged members' views on the proposed joint-Panel duty visit by the Panel and the Panel on Economic Development vide LC Paper No. CB(1)48/17-18 issued on 16 October 2017.)

11. Pointing out that Hong Kong had become a member of the Asian Infrastructure Investment Bank ("AIIB") in June 2017, Mr Dennis KWOK suggested that the Panel should be briefed on the work progress of AIIB. He further opined that the Panel should explore the feasibility of conducting a duty visit to AIIB for members to better understand its operation. The Chairman remarked that the Panel might consider a duty visit to Beijing and Shanghai in this regard.

12. Mr CHAN Chun-ying recalled that the Panel was briefed on the progress of the joint consultation on the proposed enhancements to the Stock Exchange of Hong Kong Limited's decision-making and governance structure for listing regulation launched by the Securities and Futures Commission ("SFC") and the Hong Kong Exchanges and Clearing Limited ("HKEX") in 2016 at the meeting on 18 April 2017. Noting that the consultation conclusions had been released in September 2017, Mr CHAN suggested that the Panel should invite relevant parties including SFC and HKEX to brief members on the way forward and their follow-up actions.

13. The Chairman said that in line with past practice, he and the Deputy Chairman would meet with the Secretary for Financial Services and the Treasury to discuss the work plan of the Panel for the 2017-2018 session. He would discuss with the Administration during the work plan meeting on how to

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follow up issues suggested by members. He invited members who wished to propose other items for discussion to inform the Panel Clerk in writing.

IV Any other business

14. There being no other business, the meeting ended at 10:15 am.

Council Business Division 1
Legislative Council Secretariat
27 October 2017