

Panel on Financial Affairs

List of outstanding items for discussion
(as at 1 June 2018)

**Proposed timing
for discussion at
Panel meeting**

1. Proposed amendments to the Inland Revenue Ordinance

The Administration proposes to brief the Panel on the proposal to amend the Inland Revenue Ordinance ("Cap. 112") to (a) allow the computation of assessable profits on a fair value basis; (b) expand the definition of "overseas financial institutions" for deductibility of interest payments; and (c) align the relevant provisions with the international standard for the automatic exchange of financial account information in tax matters. It plans to introduce the relevant legislative proposal into the Legislative Council ("LegCo") in the first half of the 2018-2019 legislative session.

July 2018

2. Latest Developments on the Application of the Convention on Mutual Administrative Assistance in Tax Matters in Hong Kong

The Administration proposes to brief the Panel on the latest developments on the application of the Convention on Mutual Administrative Assistance in Tax Matters in Hong Kong. It plans to introduce the relevant legislative proposal into LegCo in July 2018.

July 2018

3. Work of the Mandatory Provident Fund ("MPF") Schemes Authority ("MPFA") in enhancing MPF System

At the meeting on 12 October 2017, Hon Starry LEE suggested that the Administration should update the Panel on the work of MPFA in enhancing MPF System,

To be confirmed

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including MPFA's initiatives and measures to further drive down the management fees of MPF schemes.

4. 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 a joint public consultation on proposed enhancements to SEHK's decision-making and governance structure for listing regulation in June 2016 and issued the consultation conclusions on 15 September 2017. The Panel was briefed on the progress of the consultation at the meeting on 18 April 2017.

To be confirmed

At the meeting on 12 October 2017, Hon CHAN Chun-ying suggested that the Panel should invite relevant parties including the Securities and Futures Commission and HKEX to brief members on the way forward and follow-up actions to be taken.

5. Development of Guangdong-Hong Kong-Macao Bay Area ("Bay Area")

At the meeting on 12 October 2017, Hon Mrs Regina IP 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 Bay Area. Mrs IP's letter dated 13 October 2017 to the Chairman was issued to members vide LC Paper No. CB(1)113/17-18(03) on 27 October 2017.

To be confirmed

At the meeting on 21 November 2017, the Panel on Commerce and Industry ("CI Panel") considered and agreed to Hon Michael TIEN's suggestion of holding a joint meeting with the Panel on Economic Development ("ED Panel") and the Panel on Financial Affairs ("FA Panel") to discuss issues relating to the development of Bay Area. Chairman of FA Panel has

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agreed to hold the proposed joint Panel meeting in due course. Chairman of the Panel on Information Technology and Broadcasting ("ITB Panel") subsequently requested the Panel to be included in the joint Panel meeting. It was agreed that a joint Panel meeting would be held by CI Panel, FA Panel, ED Panel and ITB Panel to discuss the "Development Plan for a City Cluster in the Guangdong-Hong Kong-Macao Bay Area".

Separately, ED Panel, FA Panel, CI Panel, and ITB Panel conducted a three-day joint-Panel duty visit to the Bay Area from 20 to 22 April 2018.

6. Consultation on the review of the Growth Enterprise Market ("GEM")

On 16 June 2017, HKEX and SEHK launched a consultation on the proposed reform to GEM and changes to the GEM and Main Board Listing Rules. The consultation conclusions were issued on 15 December 2017. The proposed amendments to the Main Board and GEM Listing Rules set out in the consultation conclusions took effect on 15 February 2018.

To be confirmed

In her letter to the Chairman on 13 October 2017, Hon Mrs Regina IP suggested that the Administration should update the Panel on the matter. Mrs IP's letter was issued to members vide LC Paper No. CB(1)113/17-18(03) on 27 October 2017.

7. Impact of a possible trade war between China and the United States on Hong Kong's economy

At the meeting of CI Panel on 10 April 2018, members agreed to the suggestion of Hon Dennis KWOK, Hon Alvin YEUNG and Hon Jeremy TAM to hold a joint meeting with ED Panel and FA Panel to discuss the issues relating to the impact of a possible trade war

To be confirmed

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between China and the United States on Hong Kong's economy, and to invite the Financial Secretary and other Secretaries of relevant bureau to attend the joint meeting and brief members on the Administration's measures to mitigate the impact of the above on Hong Kong's economy. Chairman of FA Panel has agreed to hold the proposed joint Panel meeting in due course.

Council Business Division 1
Legislative Council Secretariat
1 June 2018