

**Response from Administration on
Review of declaration system of investments by civil servants
discussed at the Public Service Panel meeting on 11 April 2000**

Follow-up actions required

The Administration undertook to consider, with reference to the practice in the United States, whether civil servants (and their spouses and dependent children) should be required to declare their liabilities over a certain amount.

Outcome

The declaration of interest system and the scope for declaration in overseas countries varies from one to another. While the US system requires declaration of liabilities further to financial interests, the system on declaration of investment by civil servants in Hong Kong requires the reporting of investments of officers in companies, lands and properties. We must emphasise that our investment declaration system does not operate alone. It is supplemented by well-established rules requiring approval for acceptance of advantages including loans of money. The Civil Service Regulations impose requirements on officers to seek prior permission before acquiring any loan under specified circumstances. Further, the Acceptance of Advantages Notice and civil service circulars also spell out the conditions under which an officer can accept an advantage and guidelines on how to avoid conflict of interest. These requirements apply to all civil servants and officers who fail to comply with these rules are liable to disciplinary action or even criminal prosecution.

We note Members' concern about some civil servants becoming indebted. However, we do not consider it appropriate to address the situation through our declaration of investment requirements. We are reviewing our guidelines on indebtedness with a view to strengthening management measures to manage indebtedness in the civil service which we think should be a more effective approach to deal with the issue.

Civil Service Bureau
May 2000