

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 1189/03-04  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/10/02/2

**Bills Committee on Deposit Protection Scheme Bill**

**Minutes of the Thirteenth meeting**  
**held on Wednesday, 18 February 2004, at 8:30 am**  
**in Conference Room A of the Legislative Council Building**

**Members present** : Hon Albert HO Chun-yan (Chairman)  
Hon NG Leung-sing, JP  
Hon Margaret NG  
Hon Bernard CHAN, JP  
Hon Jasper TSANG Yok-sing, GBS, JP  
Hon Ambrose LAU Hon-chuen, GBS, JP  
Hon Audrey EU Yuet-mee, SC, JP

**Members absent** : Dr Hon Eric LI Ka-cheung, GBS, JP  
Dr Hon David LI Kwok-po, GBS, JP  
Hon Fred LI Wah-ming, JP  
Hon CHAN Kam-lam, JP  
Hon SIN Chung-kai  
Hon Abraham SHEK Lai-him, JP

**Public officers attending** : Hong Kong Monetary Authority  
  
Mr Raymond LI  
Executive Director (Banking Development)  
  
Mr Raymond CHAN  
Acting Division Head (Banking Development)  
  
Financial Services and the Treasury Bureau  
  
Mr Edmond LAU  
Principal Assistant Secretary (Financial Services)

Mrs Millie NG  
Assistant Secretary (Financial Services)

Department of Justice

Mr Lawrence PENG  
Senior Assistant Law Draftsman

**Clerk in attendance** : Miss Becky YU  
Chief Council Secretary (1)1

**Staff in attendance** : Mr KAU Kin-wah  
Assistant Legal Adviser 6

Mrs Mary TANG  
Senior Council Secretary (1)2

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**I. Confirmation of minutes**

LC Paper No. CB(1) 997/03-04 -- Minutes of the meeting held on  
4 February 2004

The minutes of the meeting held on 4 February 2004 were confirmed.

**II. Meeting with the Administration**

(LC Paper No. CB(1) 556/03-04(03) -- Draft Committee Stage  
*issued for the meetings on 11 and 22 December 2003*) amendments proposed by the  
Administration

LC Paper No. CB(1) 683/03-04(02) -- Marked-up copy of Schedule 5 to  
*issued for the meeting on 5 January 2004*) the Bill incorporating the draft  
Committee Stage amendments as at  
29 December 2003

LC Paper No. CB(1) 1005/03-04(01) -- List of follow-up actions arising  
from previous meetings (as at  
17 February 2004)

LC Paper No. CB(1) 1005/03-04(02) -- Administration's paper on  
"Provision of further information on  
past court cases relating to the  
interpretation of "suffer" in  
Clause 44"

LC Paper No. CB(1) 1005/03-04(03) -- Second batch of draft Committee Stage amendments proposed by the Administration)

2. The Committee deliberated (Index of proceedings attached at **Annex A**).
3. The Administration was requested to -
  - (a) provide a flow chart showing the sequence of events in different scenarios where the Monetary Authority (MA)'s decision to trigger payment under the Deposit Protection Scheme (DPS) is revoked by the Chief Executive in Council (CE in C); and
  - (b) review the drafting of clauses 21 and 22 to ensure that MA would not be precluded from re-triggering payment under DPS in the event that CE in C had annulled its revocation of MA's original trigger decision. Reference should be made to similar provisions in other legislation.
4. Members agreed to re-schedule the fourteenth meeting from 27 February 2004 to 5 March 2004 at 8:30 am to avoid clashing with the meeting of the Finance Committee. It was also agreed that the fifteenth meeting would be held on 16 March 2004 at 4:30 pm.
5. The meeting ended at 10:30 am.

Council Business Division 1  
Legislative Council Secretariat  
4 March 2004

**Proceedings of the meeting of the  
Bills Committee on Deposit Protection Scheme Bill  
Meeting on Wednesday, 18 February 2004, at 8:30 am  
in Conference Room A of the Legislative Council Building**

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
000000 - 000247	Chairman	Introductory remarks and confirmation of minutes of the meeting held on 4 February 2004 (LC Paper No. CB(1) 997/03-04)	
000248 - 000729	ALA6 Miss Margaret NG Administration	Information paper on "Provision of further information on past court cases relating to the interpretation of "suffer" in Clause 44" (LC Paper No. CB(1) 1005/03-04(02))	
000730 - 001446	Chairman Administration	Continuation of clause-by-clause examination of the Bill  Schedule 4 - Contributions to Fund  Section 1 - Interpretation  Section 2 - Calculation of target fund size and balance of Fund	
001447 - 001649	Chairman Administration	Section 3 - Build-up levy	
001650 - 002824	Chairman Administration Mr NG Leung-sing Mr Jasper TSANG	Section 4 - Expected loss levy	
002825 - 004607	Chairman Administration Mr Jasper TSANG ALA6	Section 5 - Surcharge	

Time marker	Speaker	Subject(s)	Action required
004608 - 004914	Chairman Administration Mr Jasper TSANG	Section 6 - Calculation of contribution for new Scheme members  Section 7 - Minimum amount of contribution	
004915 - 005419	Chairman Administration ALA6	Section 8 - Rebate  Section 9 - Refund of contribution	
005420 - 010958	Chairman Administration Ms Audrey EU	Schedule 5 - Consequential and other amendments Companies Ordinance (Cap. 32)  Banking Ordinance (Cap. 155)  Prevention of Bribery Ordinance (Cap. 201)  Electronic Transactions Ordinance (Cap. 553)	
010959 - 011600	Chairman Administration Ms Audrey EU	Securities and Futures Ordinance (Cap571) Clause 378(1)(ea) -  The scope of disclosure requirement “for the purpose of enabling or assisting the Board to perform its function” was considered too wide	The Administration to review the drafting of clause 378(1)(ea) to make the disclosure requirement more restrictive
011601 - 012249	Chairman Administration Ms Audrey EU	Second batch Committee Stage amendments (LC Paper No. CB(1) 1005/03-04(03)) Clause 2 - Interpretation	The Administration to amend “refers” in the definition of “applicant” under clause 2 to “applies”
012250 - 012507	Chairman Administration	Clause 7 - Powers of Board  Clause 7A - Board may issue guidelines	

Time marker	Speaker	Subject(s)	Action required
012508 - 012719	Chairman Administration	<p>Clause 14 - Contributions to Fund</p> <p>The wordings “and the contribution or fee ceases to be the property of the Scheme member on being paid into the Fund” under clause 14(5A) appeared to be stating the obvious</p>	The Administration to review the wordings of clause 14(5A)
012720 - 012844	Chairman Administration	Clause 20 - Investment of money	
012845 -015600	Chairman Administration Mr TSANG Yok-sing Ms Audrey EU	<p>Clause 21 - Occurrence of specified event</p> <p>Clause 22 - Monetary Authority to report to Chief Executive in Council on occurrence of specified event</p> <p>(a) Administration’s explanation of the undesirability of linking payment mechanism under the Deposit Protection Scheme (DPS) with the appointment of a Manager under the Banking Ordinance as these should be separate but synchronized decisions;</p> <p>(b) Need to spell out the re-triggering mechanism in the event that the Chief Executive in Council (CE in C) had annulled its revocation of Monetary Authority’s (MA) original trigger decision due to a change in circumstances; and</p>	<p>The Administration to</p> <p>(a) provide a flow chart showing the sequence of events in different scenarios where the MA’s decision to trigger payment under the DPS was revoked by the CE in C; and</p> <p>(b) review the drafting of clauses 21 and 22 to ensure that MA would not be precluded from re-triggering payment under DPS in the event that CE in C had annulled its revocation of MA’s original trigger decision. Reference should be made to similar provisions in other legislation</p>

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
		(c) Need to provide a flow chart showing the sequence of events in different scenarios where MA's decision to trigger the DPS was revoked by CE in C	
015601 - 020016	Ms Audrey EU Administration Chairman ALA6	Clause 21(6)	
020017 – 020330	Chairman Ms Audrey EU Mr Jasper TSANG	Date of next meeting	