

**立法會**  
**Legislative Council**

LC Paper No. CB(1) 456/03-04  
(These minutes have been seen  
by the Administration)

Ref: CB1/BC/10/02/2

**Bills Committee on Deposit Protection Scheme Bill**

**Minutes of the seventh meeting**  
**held on Tuesday, 18 November 2003, at 4:30 pm**  
**in Conference Room A of the Legislative Council Building**

- Members present** : Hon Albert HO Chun-yan (Chairman)  
Dr Hon Eric LI Ka-cheung, GBS, JP  
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 Abraham SHEK Lai-him, JP  
Hon Audrey EU Yuet-mee, SC, JP
- Members absent** : Dr Hon David LI Kwok-po, GBS, JP  
Hon Fred LI Wah-ming, JP  
Hon CHAN Kam-lam, JP  
Hon SIN Chung-kai
- 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

Ms Grace LEUNG  
Government Counsel

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

**Staff in attendance** : Mr Arthur CHEUNG  
Senior Assistant Legal Adviser 2

Mr KAU Kin-wah  
Assistant Legal Adviser 6

Mrs Mary TANG  
Senior Assistant Secretary (1)2

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**I. Confirmation of minutes**

(LC Paper No. CB(1) 326/03-04 -- Minutes of the meeting held on  
4 November 2003)

The minutes of the meeting held on 4 November 2003 were confirmed.

**II. Meeting with the Administration**

(LC Paper No. CB(1) 92/03-04(04) - Summary of concerns (as at  
17 October 2003)

LC Paper No. CB(1) 328/03-04(01) -- List of follow-up actions arising  
from previous meetings (as at  
14 November 2003)

LC Paper No. CB(1) 328/03-04(02) -- Administration's paper on  
"Implementation Timetable")

2. The Committee deliberated (Index of proceedings attached at **Annex A**).

3. The Administration was requested to -

- (a) consult those deputations which had expressed views on the Bill the relevant Committee Stage amendments to be proposed by the Administration;
- (b) review the applicability of the term “depositor”, particularly with reference to bare trustee, in the Bill to ensure consistency; and
- (c) review the need for the definition on “practicable” under clause 2(1) and the part of the Chinese text of clause 2(2) which read “包括該提述的文法變體或同語族詞句”.

4. To avoid clashing with the meetings of the Select Committee on Building Problems of Public Housing Units, it was agreed that the Bills Committee meetings originally scheduled for 2 and 16 December 2003 be re-scheduled. The revised schedule of meetings was as follows -

- (a) Thursday, 11 December 2003, at 8:30 am;
- (b) Monday, 22 December 2003, at 8:30 am; and
- (c) Thursday, 8 January 2004, at 8:30 am.

5. The meeting ended at 6:30 pm.

Council Business Division 1  
Legislative Council Secretariat  
28 November 2003

**Proceedings of the meeting of the  
Bills Committee on Deposit Protection Scheme Bill  
Meeting on Tuesday, 18 November 2003, at 4:30 pm  
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 - 000110	Chairman	Introductory remarks and confirmation of minutes of the meeting held on 4 November 2003 (LC Paper No. CB(1) 326/03-04)	
000111 - 000405	Chairman Administration	Committee Stage amendments (CSAs) to be proposed by the Administration	
000406 - 000713	Administration Chairman	“Implementation Timetable” (LC Paper No. CB(1) 358/03-04(02))	
000714 - 001037	Mr Abraham SHEK Administration Chairman	Inter-relationship between interest rate and implementation of the Deposit Protection Scheme (DPS)	
001038 - 001824	Chairman Administration	Summary of concerns (LC Paper No. CB(1) 92/03-04(04))	
001825 - 002058	Administration Chairman SALA2 Miss Margaret NG	CSA to be introduced to clause 27 to address the concern of the Law Society of Hong Kong about client accounts and un-split cheques	
002059 - 002959	Administration Chairman	Administration’s response to concerns raised on clauses 27, 30, 33 and 34	
003000 - 003529	Chairman Administration	Administration’s response to concerns raised on clause 36 on subrogation	
003530 - 004649	Administration Chairman ALA6 Mr Eric LI	Concern raised by the Hong Kong Society of Accountants on reimbursement from provisional liquidator under clause 37	

Time marker	Speaker	Subject(s)	Action required
004650 - 005151	Chairman Administration	Administration's response to concerns raised on clause 39, Schedules 1 and 5	The Administration to consult those deputations which had expressed views on the Bill the relevant Committee Stage amendments to be proposed by the Administration
005152 -005701	Chairman Administration Mr Eric LI	Revised schedule of meetings	
005702 -011409	Chairman ALA6 Administration Mr Jasper TSANG	<p>Clause-by-clause examination Part I - Clauses 1 and 2</p> <p>CSA to be introduced to definition of "bank" such that it would include a bank whose licence was suspended;</p> <p>CSA to be introduced to include definition on "client account";</p> <p>CSA to be introduced to include definitions on "authorized institution", "holding company", and "subsidiary" in clause 2 rather than in the Schedule; and</p> <p>CSA to be introduced to include definition on "information system" in line with that of Electronic Transaction Ordinance (Cap. 553)</p>	<p>The Administration to review -</p> <p>(i) the applicability of the term "depositor", particularly with reference to bare trustee, in the Bill to ensure consistency;</p> <p>(ii) the need for the definition on "practicable" under clause 2(1); and</p> <p>(iii) the part of the Chinese text of clause 2(2) which read "包括該提述的文法變體或同語族詞句"</p>
011410 - 011709	Chairman Administration	<p>Part II - Clauses 3, 4, and 5</p> <p>CSAs to be introduced to clause 4 to provide guidance in the appointment of members of the Board</p>	

<b>Time marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action required</b>
011710 - 012454	Chairman Administration ALA6	Clause 6 - Board to perform functions through Monetary Authority	
012455 - 012908	Chairman Administration ALA6 Mr Bernard CHAN Mr Eric LI	Clause 7 - Power of Board	
012909 - 013528	Chairman Administration ALA6	Clauses 8 and 9	
013529 - 013659	Chairman	Part III - Clause 10	
013600 - 013823	Chairman Administration	Clause 11 - Membership of Scheme  Technical CSA to be introduced to clause 11 to the effect that a bank would cease to be a Scheme member upon revocation of its bank licence	
013824 - 015002	Chairman Administration ALA6	Clause 12 - Exemption  CSA to be introduced to clause 12(4)(c) to the effect the scope and level of protection offered by an exempted bank should not be more limited in scope and lower in amount than that provided by DPS; and  CSA to be introduced to clause 12(10) by adding the words "as soon as practicable after the relevant time" before the words "shall inform"	