

立法會

Legislative Council

LC Paper No. CB(2)1113/02-03(04)

Ref : CB2/PL/SE/1

Background brief prepared by the Legislative Council Secretariat for the meeting of the Panel on Security on 13 February 2003

Issues for inclusion in the stage two anti-terrorism legislative exercise

Background and purpose of paper

The United Nations (Anti-Terrorism Measures) Bill (the Bill) was introduced into the Legislative Council (LegCo) on 17 April 2002 and a Bills Committee was formed to study it in detail on 26 April 2002. The Bill was subsequently passed by LegCo at its meeting of 10 July 2002 and published in the Gazette as the United Nations (Anti-Terrorism Measures) Ordinance (the Ordinance) on 19 July 2002. A substantive part of the Ordinance has come into operation with effect from 23 August 2002.

2. On 16 January 2003, the main legislative proposals to implement further measures against terrorism and terrorist financing in the stage two anti-terrorism legislative exercise (LC Paper No. CB(2)846/02-03(03)) were discussed at the meeting of the Panel on Security. During the discussion, a few members expressed concern that the scope of the stage two exercise was too narrow; hence, it would not be possible for LegCo to re-visit certain issues of the Ordinance which had not been satisfactorily addressed prior to the enactment of the Ordinance.

3. This paper gives a summary of these issues and the undertakings made by the Secretary for Security (S for S) during the resumption of the Second Reading debate on the Bill at the Council meeting of 10 July 2002.

Issues

*Section 2 - Interpretation
(Clause 2 of the Bill)*

Definition of "terrorist act"

4. Hon Audrey EU and Hon Margaret NG considered that the definition of

"terrorist act", as amended by the Administration and passed by the Council, remained too wide. Ms EU and Miss NG were of the view that the word "threat" should be deleted from the definition of "terrorist act", as there were provisions in the existing laws to incriminate persons for making threats. Moreover, the grave consequences of being labelled a terrorist for making threats were disproportionate to the crime committed. Another reason put forward by these two Members for deleting the word "threat" from the definition of "terrorist act" was that this definition must be read together with the definition of "terrorist", and the latter only covered persons who committed, or attempted to commit, a terrorist act or who participated in or facilitated the commission of terrorist act. As the amendments to the definition of "terrorist act" moved by S for S were passed by the Council, both Ms EU and Miss NG were unable to move their amendments.

Definition of "terrorist property"

5. Hon Margaret NG was of the view that the definition of "terrorist property" should be narrowed down to mean "any property including funds that is intended to be used to finance or otherwise assist the commission of a terrorist act". Amendments to this effect moved by Miss NG were negated by the Council.

Definition of "prescribed interest" in subclause (1) and application of the provisions to safeguard legal privilege and privilege against self-incrimination under new subclause (5)

6. Hon Audrey EU, Hon Albert HO and Hon Margaret NG considered it necessary to re-visit the definition of "prescribed interest" in subclause (1) and the application of the provisions to safeguard legal privilege and privilege against self-incrimination under new subclause (5) after the passage of the Bill, as the Bills Committee did not have time to discuss them.

Section 5 - Specification by Court of First Instance of persons and property as terrorists, terrorist associates or terrorist property (New Clause 4A to the Bill)

7. Hon Margaret NG considered that the two-year expiry period for the specification by the Chief Executive (CE) was too long, and should be reduced to one year. Amendments to this effect were proposed by Miss NG. As S for S's amendments to add clause 4A to the Bill were passed by the Council, Miss NG was unable to move her amendments.

Section 6 - Freezing of funds (Clause 5 of the Bill)

8. Hon Margaret NG, Hon Cyd HO, Hon Albert HO and Hon James TO considered that the powers in respect of freezing of funds for S for S were too wide, as S for S could freeze funds if she had reasonable grounds to suspect that they were terrorist property without having to seek prior court authorisation. This situation

was exacerbated by the wide definitions of "terrorist act" and "terrorist property". These Members were of the view that clause 5 should be reviewed to strike a proper balance between the enforcement of powers and protection for the innocent.

9. Hon Margaret NG considered that on humanitarian ground, there should be no need for the person concerned and/or his dependents to apply for a licence from S for S for the supply of funds for the purpose of meeting basic expenses such as food and clothing, and legal expenses. Miss NG also considered that the two-year expiry period of the freezing notice was too long, and should be reduced to one year. As S for S's amendments to clause 5 were passed by the Council, Miss NG was unable to move her amendments.

*Section 7 - Prohibition on supply of funds to terrorists and terrorist associates
(Clause 6 of the Bill)*

*Section 8 - Prohibition on making funds, etc. available to terrorists and terrorist associates
(Clause 7 of the Bill)*

*Section 9 - Prohibition on supply of weapons to terrorists and terrorist associates
(Clause 8 of the Bill)*

10. Hon Margaret NG considered that a clear subjective mens rea should be adopted in clauses 6 to 8, in that there must be an intent to assist the terrorists or terrorist associates, and there must be knowledge that these persons were terrorists or terrorist associates. Miss NG's amendments to such effect were negated by the Council.

*Section 10 - Prohibition on recruitment, etc. to persons specified in notices under section 4(1) and (2)
(Clause 9 of the Bill)*

11. Hon Margaret NG considered that the scope of clause 9 relating to the prohibition of recruitment of persons to serve with bodies which had been specified by CE was too wide, and it would unnecessarily involve many people who were completely unrelated to terrorist organisations. Miss NG proposed that the scope of the clause should be narrowed down, and similar to clauses 6 to 8, a clear subjective mens rea should be adopted in clause 9.

12. S for S's amendments to delete references to "serve in any capacity with" to clause 9 and to limit the ambit to recruitment of persons to become members of bodies of persons which the recruiter knew or had reasonable grounds to believe had been specified were negated by the Council. Separate amendments were moved by Miss NG to provide a subjective mens rea of knowledge for recruitment.

13. As Miss NG's amendments were also negated by the Council, S for S undertook to re-introduce amendments to clause 9 in the stage two anti-terrorism

legislative exercise. At the meeting of the Panel on Security on 16 January 2003, the Administration confirmed that the stage two anti-terrorism legislative exercise would also include a proposal to amend section 10 (clause 9 of the Bill).

*Section 11 - Prohibition against false threats of terrorist acts
(Clause 10 of the Bill)*

14. Hon Margaret NG was of the view that clause 10 relating to prohibition against false threats of terrorists acts should be deleted, as it was not compatible with the minimalist approach and there was no requirement for such a provision under the United Nations Security Council Resolution (UNSCR) 1373. An amendment moved by Miss NG to this effect was negated by the Council.

15. Separate amendments by Hon Mrs Selina CHOW to clause 10(1) to provide that the communication or making available of any information must be carried out with the intention to cause alarm to the public or a section of the public were passed by the Council.

*Section 12 - Disclosure of knowledge or suspicion that property is terrorist property
(Clause 11 of the Bill)*

16. Hon Margaret NG considered that clause 11, which dealt with disclosure of knowledge or suspicion that certain property was terrorist property, was at variance with UNSCR 1373 and the Special Recommendations of the Financial Action Task Force on Money Laundering (FATF). Miss NG had pointed out that clause 11 imposed an obligation on "any person", but FATF only imposed the obligation on "financial institutions, other business or entities subject to anti-money laundering obligations" and UNSCR 1373 did not require Hong Kong to make a potential criminal of every ordinary citizen. Miss NG proposed to replace "reasonable grounds to suspect" with "suspect on reasonable grounds" in relation to the mental element for the disclosure requirement. As S for S's amendments to clause 11 were passed by the Council, Miss NG was unable to move her amendments.

*Section 13 - Forfeiture of certain terrorist property
(Clause 13 of the Bill)*

17. Taking into consideration comments made by the Bills Committee, the Administration accepted Hon Albert HO's suggestion to amend clause 13(4) by deleting "on the balance of probabilities" and substituting "the standard of proof applicable to civil proceedings in a court of law". Hon Margaret NG held a different view that the standard of proof for an application for a forfeiture order in respect of a terrorist's property should be raised to one applicable to criminal proceedings, having regard to the wide powers of S for S to freeze funds. As S for S's amendments to clause 13 were passed by the Council, Miss NG was unable to move her amendments.

*Section 18 - Compensation
(New Clause 16A to the Bill)*

18. The Bills Committee considered that the requirement of "serious default" for obtaining compensation should not be adopted, as it was very difficult for the affected persons to satisfy the court that there had been "serious default" on the part of the Government. In response, S for S had undertaken to conduct a review of the issue of compensation and report back to LegCo after the passage of the Bill. The Administration's paper on the review of the compensation provision under the Ordinance (LC Paper No. CB(2)846/02-03(04)) was submitted to the Panel on Security in January 2003.

*Section 19 - Regulations
(Clause 18 of the Bill)*

19. Hon Margaret NG, Hon James TO and Hon Audrey EU were of the view that provisions for the necessary law enforcement powers should not be made by S for S by way of subsidiary legislation, and that such powers should form part of the Ordinance. In response, S for S undertook to consider introducing the relevant provisions by way of an amendment bill.

*Section 21 - Proceedings inter partes shall be held in open court unless otherwise
ordered by the court
(New Clause 19 to the Bill)*

20. Hon Margaret NG, Hon Audrey EU, Hon Cyd HO, Hon Emily LAU and Hon James TO considered it necessary to re-visit new clause 19, in particular, the reason for including "external relations of the HKSAR" as one of the reasons for holding all or part of the court proceedings in camera, as this provision had not been fully discussed by the Bills Committee due to lack of time.

Review of the Ordinance

21. During the resumption of the Second Reading debate on the Bill, Hon Albert HO, Hon Cyd HO and Hon Emily LAU expressed concern about the lack of time for the Bills Committee to thoroughly scrutinise the Bill and certain amendments to the Bill. In the light of this, they were of the view that the scope of the stage two anti-terrorism legislative exercise should be sufficiently wide for Members to re-visit the Bill. In response, S for S said that it was the established practice of the Administration to constantly review all ordinances after they were implemented. She further said that the Administration would naturally carry out a review of the Ordinance after it had gained some practical experience.

22. Ms HO had also pointed out that as anti-terrorism measures were quite new, other countries had also adopted a phased approach in the implementation of such measures. She considered that there was a need to observe whether there was

relaxation of anti-terrorism measures internationally and to review the provisions in the Bill periodically to ensure that they were in line with the international trend.

23. Ms HO's views in paragraph 22 above were raised again at the meeting of the Panel on Security on 16 January 2003. The Administration confirmed that it intended to review the provisions in the Ordinance periodically to ensure that they were in line with the international trend.

Undertakings made by S for S

24. In her speech made during the resumption of Second Reading debate on the Bill, S for S had undertaken/agreed to -

- (a) review the compensation mechanism provided under new clause 16A and report back to LegCo six months after the implementation of the Bill (paragraph 18 above refers);
- (b) consider introducing provisions relating to law enforcement powers by way of an amendment bill (paragraph 19 above refers);
- (c) give Members as much time as possible to examine the Bill in the stage two anti-terrorism legislative exercise; and
- (d) review the Ordinance after the Administration had gained some practical experience (paragraph 21 above refers).

25. A copy of the speech made by S for S is in the **Appendix**.

Relevant papers

26. Apart from the two papers provided by the Administration mentioned in paragraphs 2 and 18 above, members may wish to refer to the Bills Committee report to the Council (LC Paper No. CB(2)2537/01-02) and the Official Record of Proceedings of the Council meeting of 10 July 2002, which are available on the LegCo website.

whether there will really be the so-called "second wave" subsidiary legislation. In reality, we will rarely need to invoke the legislation, and that is why I believe the Government should examine if it is enough for it to just furnish a report on the progress made. As regards the best efforts we have made to perfect the legislation over these few months, they will not be in vain because we would have no choice if the Government should decide to further pursue the matter.

The Democratic Party only thinks that if our requirements regarding the compensation issue were not fulfilled, individuals would have to suffer the losses arising from the Government's "default", but one just could not take out any insurance policy for such situation. Mr Bernard CHAN can tell us that we cannot take out any insurance policy for risks. In other words, no insurance policy could cover the loss of life and properties as a result of mistakes made by government officials. We have suggested that it should be better to empower the Government to provide a kind of collective insurance for the public as a means to protect the people from such risks and let the premium be shared by all people. But the Government turned down our suggestion. For this reason, we are really caught on the horns of a dilemma, as we will have considerable reservations about giving support to the Bill just to send out the message.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member responded)

SECRETARY FOR SECURITY (in Cantonese): Madam President, first of all, I would like to thank Mr LAU Kong-wah, Chairman of the Bills Committee on United Nations (Anti-Terrorism Measures) Bill (the Bills Committee), and other members for holding a series of 15 meetings within a short duration of one-odd month. They scrutinized the United Nations (Anti-Terrorism Measures) Bill (the Bill) in detail and made a number of constructive suggestions to perfect it. I also have to thank Members who supported the resumption of the Second Reading debate on the Bill so that it can have a chance to be scrutinized at today's meeting.

I gave notice on the resumption of the Second Reading of the Bill to the Legislative Council on 24 June. I understand some Members were not happy about this and thought the fact that the executive authorities had given notice on

the resumption of the Second Reading of the Bill before the scrutiny of the Bill was completed was a hasty act and a show of disrespect for the Legislative Council. Some Members even questioned the validity of the notice. In this connection, I would like to make another explanation.

As there is a pressing need for Hong Kong to pass the Bill, I have only given notice simply in accordance with the Rules of Procedure. I also wanted to strive for the opportunity for the Bill to be read the Second time today at the last meeting of the whole Council, so that if the Bill were passed, it could formally become law in this Legislative Session.

I am also very grateful to the President for her affirmation on the validity of the notice. I certainly do not intend to overlook the power and significance of the Legislative Council in scrutinizing bills. I respect that the Legislative Council has the final say on whether a piece of legislation should be passed. But, I also trust that Members do appreciate the pressing need of the legislation. In fact, deep down in their hearts, most Members are sympathetic to the Government in making this arrangement.

Some Members made some criticisms earlier. They are quite unhappy about the fact that they would always be caught in a heavy workload in the summer months of June and July every year for all the bills are very pressing. This Bill travelled with the speed of an express vehicle or even that of a roller coaster. Members have to take up additional work and held extra meetings in continuum. A Member said earlier that the Government had appeared to have acted in a domineering, overbearing manner. Truly, I admit that the Government has really put in a lot of efforts to push this Bill, but does it mean that this approach should not merit the support of Members? I believe that is not the case. As some Members said earlier, they were scolding the Government while working all along. In fact, every time when we held a meeting, this Bills Committee gave me a very deep impression. Every meeting was well attended and every Member was very conscientious and did a lot of work.

Last year, after the September 11 incident, we started early preparations for this Bill and submitted papers to the Legislative Council. We explained at that time that once the Bill was ready, it would be passed the sooner the better. Therefore, I believe the majority of Members were actually deeply conscious of the righteousness of the cause and had the good of the whole Hong Kong at heart,

though they all knew that their workload would increase and the work would be very tiring. For example, we are all sitting here today and going without lunches, though to me, skipping lunch is part of my sliming exercise. *(Laughter)* I know that even if Members blamed us, deep down in their hearts, they realized that the work should be done, otherwise, we would not have reached this stage. Mr LAU Kong-wah said that when he was the Chairman of the Bills Committee, he felt that the scrutiny was very much a process of touch and go. Some clauses were feasible, some were not and sometimes no headway could be made at all. However, on the whole, we have already reached the consensus that terrorism is an international hazard. Though a small number of Members have some doubts about this consensus, we should, nevertheless, respond to the call of the international community and complete this fundamental task as soon as possible.

A Member asked me whether there was really a pressing need in Hong Kong to make anti-terrorism legislation? I noted that the Law Society of Hong Kong and the Hong Kong Bar Association have also questioned the urgency of the legislation, especially when they quoted what I said. They pointed out that I often said Hong Kong is the safest city and there has never been any terrorist attack in Hong Kong. In that case, was there really a need to legislate to combat terrorist activities? As Mr LAU Kong-wah said earlier, if something did not happen in the past, it does not mean that it will never happen. As the official responsible for security, I believe I could not be so careless as to say that Hong Kong was the safest city in the past, so nothing will ever happen in the future. Nobody can say that.

Another point I would like to explain is that I think Members who questioned whether there was a pressing need to legislate might have misunderstood one point. In fact, the purpose of the Bill under discussion today is to implement certain mandatory elements in the United Nations Security Council (UNSC) Resolution 1373 and the special recommendations of the Financial Action Task Force on Money Laundering (FATF). These recommendations seek to combat terrorist financing and prohibit the supply of weapons to terrorists or assisting them in recruiting members. Typical terrorist activities such as hijacking airplanes and ships, holding hostages and using human bombs in bombing activities are not the target of our combat for such actions have already been covered under other legislation. We would, however, look into certain terrorist activities again, in the second phase of the legislative

exercise, subsequent to the signing of certain international conventions by our Motherland.

This legislative proposal actually seeks to curb the supply of funds to terrorists and prohibit terrorists from using Hong Kong as a base to raise funds or to channel their funds via Hong Kong to terrorist networks in other places. Since Hong Kong enjoys the status of an international financial centre, we cannot rule out the possibility that terrorist funds would flow into Hong Kong. I feel gratified to say that so far, we have not identified any of those activities. We have continued to work together with overseas correctional institutions in analysing the information we have got. Fortunately, so far, we have not identified any terrorist activities, but this does not mean that such activities will not occur in the future. In fact, if Hong Kong lags too far behind other international financial centres in this respect and does not have any legislation to block terrorist funds, Hong Kong will become the weakest link in the international community and we will provide an opening for such activities. Terrorists may also be led to think that since Hong Kong does not have any legislation to deal with such activities, they might as well let their funds flow into Hong Kong for it can serve as their shelter.

Since the UNSC passed Resolution 1373 on 28 September, the Central People's Government immediately instructed Hong Kong in October last year, to implement the Resolution under Articles 13(1) and 48(8) of the Basic Law. Whereas the FATF made special recommendations on 31 October to request all member states to implement its recommendations before mid-2002, we have already missed the mid-year deadline. In order to honour our international obligation, we carefully reviewed our existing legislation and came to the conclusion that new legislation must be enacted to fully cover the UNSC Resolution 1373 and all recommendations of the FATF on combating terrorist financing.

Some Members asked why we had to wait until April before we submitted the Bill to the Legislative Council. I hope Member will bear in mind that once we received such instructions, we must go through the process of making internal considerations like which legislative tools would be the most appropriate. We had to consider whether we could adopt the practice for implementing other United Nations resolutions, that is, to have the Government make a regulation and then passed it on to the Legislative Council for endorsement since we do have such a mechanism. At our first meeting with the Panel on Security, we

explained that this approach could be adopted in implementing certain recommendations of the United Nations. But since we respected the views of the Legislative Council and we knew that Members must be very anxious to have an opportunity to study our Bill in detail, we abandoned that channel. I also knew that Members did not like this simple and expedient channel, so we did not adopt the approach used by us in dealing with the sanctions on Afghanistan, that is, to have the Government and the Chief Executive make a regulation for the endorsement of the Legislative Council and passed it by means of a rubber-stamp approach. We have abandoned such a channel this time.

Furthermore, at the joint meeting of the Panel on Security and the Panel on Administration of Justice and Legal Services on 30 November last year and the special meeting of the Panel on Security on 5 February this year, the Government explained the pressing need for legislation and the application of the Bill before submitting it to the Legislative Council on 17 April. I certainly understood that the time given to Members for the scrutiny was somewhat too short and I was also aware that Members had worked tirelessly. However, I believe that all Members as legislators would not shirk their responsibility and were willing to share this responsibility together with the executive authorities. I would like to stress that if the Bill were not passed, it would be impossible for Hong Kong to fully implement the mandatory elements of Resolution 1373 and the recommendations of the FATF. Apart from failing to honour our international obligation, it is also possible that we may face international criticisms and sanctions by the FATF. From this, we can see the urgency of this enactment is beyond doubt.

Members asked earlier why public consultations were not conducted? We have made reference to the experience of overseas countries. After the September 11 incident, many countries, including the United States, the United Kingdom, Canada, Australia, Germany, New Zealand and our Motherland, have all passed legislation as a matter of emergency. I am not aware that any country has ever conducted public consultation on the major premise, principle of combating terrorists alone. I think that this issue, like other issues, may be described by an English phrase "The devil is in the details". If we ask the public whether terrorists should be combated, I believe the answer must be unanimous, or at least, the majority of the people will think that this must be done. However, as regards whether this Bill would adversely affect human rights and freedom, we have to look at the details, that is, "The devil is in the details". Therefore, the most opportune time to conduct public consultations

was after the publication of the Bill. So, we think that after the Bill was read the First time on 17 April and published in the Gazette, interested persons, human rights organizations, judicial organizations, the Law Society of Hong Kong, the Hong Kong Bar Association, and so on, should have sufficient time to make submissions on the Bill. As such, like Miss Emily LAU, I am very surprised that since the Hong Kong Bar Association had raised such a hue and cry and pointed out that the Bill might impact on the rule of law and human rights, why did it wait until so late to issue a press release? In fact, they have never made any direct submissions to the Security Bureau and only made some very general comments on television on the eve before the Bill may be passed. I am really very puzzled by their approach.

Miss Emily LAU also asked me whether I had kept count on the number of countries that had endorsed such measures. I think that this is both meaningless and senseless. The most important point is that we should strive to exert our utmost in following the examples of some good countries. Or do we actually wish to be ranked among the "bottom five percentile" of 200 countries? There is no reason for us to do so. And, how many countries have not made legislation actually has nothing to do with us for we should learn from the best members of the international community. In fact, countries like the United Kingdom, the United States, Canada, Australia, Singapore, India, Germany, our Motherland, the European Union, France, New Zealand and Japan have all passed legislation on this. Furthermore, some countries like the United States, Germany and the United Kingdom have not only passed legislation on Resolution 1373, but also enhanced the powers of their law enforcement agencies and greatly increased their powers in combating terrorists.

Like I told Mr Albert HO a few days ago, I have learned from Australian officials that they have almost completed the second phase of their anti-terrorism legislative exercise. They have a piece of legislation that could increase the power of their correctional organizations and one of its provisions also empowered them to detain suspects for 48 hours and forbid them to see their lawyers. Have they injured human rights by doing so? Anyway, this legislation has already been endorsed by their House of Representatives and will soon be submitted to their Senate.

Miss Margaret NG also accused me earlier of not keeping my words because I had said a minimalist approach would be adopted. She questioned why there is an additional clause on punishing people who spread news of false

terrorist attacks in the existing Bill. First of all, I have to clarify that I have never said that any provision is indispensable. I did talk about a "minimalist approach", but what I meant by a "minimalist approach" is relative. In comparison to countries like the United States, Germany, Australia and the United Kingdom, the measures we have adopted are already minimalist. Is that not true? In fact, this Bill will not give any additional powers to our law enforcement agencies and it will only provide the most basic legal framework for us to continue to make legislation and improve our work. Therefore, I do not agree that I have gone back on my words. At the same time, after the September 11 incident, we had received at least 75 false reports on terrorist attacks in Hong Kong and some of these reports were obviously practical jokes. Miss Emily LAU also received an anthrax letter. Members may also recall the news on "Hong Kong Usama bin Laden". It could be seen that some people were obviously playing practical jokes by spreading false news on terrorist attacks or they might even try to fish in troubled waters. So why should those people not be punished? Miss Emily LAU asked, if we were to include all the good things in the Bill, then why the Government had not added 50 more clauses to the Bill in the manner of hanging 50 more ornaments on the Christmas tree. In fact, this is not the case and Members must be fair for I have only requested to add one clause. If we are to say that it is like having redundant tiles in a mahjong game (*laughter*), then I have only got one redundant tile, is that not true? It is really unfair to exaggerate in such a manner.

I would also like to make further explanations. I understand that the greatest concern of Members and the public is that the definition of "terrorist act" is too broad and the executive authorities are given powers so great that human rights and freedom of speech and religion may be stifled. Such worries are really unnecessary. I noted that Mr James TO has also said earlier that some worries are unnecessary. We do not intend to combat certain organizations by means of this Bill. The definition made by the Government on "terrorist act" was made with reference to the relevant anti-terrorism provisions of other countries, and such countries include the United States, the United Kingdom, Canada, Singapore, Australia and New Zealand. The standards adopted in the Bill on "terrorist act" are consistent with those in the international definition on terrorist acts. In making other provisions, we have even adopted a minimalist approach in drawing up the relevant offences and essential powers needed by law enforcement agencies. We have definitely not followed the examples of other countries in greatly increasing the powers of law enforcement agencies in interception of communications, detentions and searches. We think that this

legislation could certainly strike a balance between the protection of individual freedom and rights and the protection of public safety.

I also noted from the earlier speeches of many Members that they acknowledged that while we have worked tirelessly with Members in the past two months, the Government has made many concessions and proposed many amendments. I remember that for one or two weeks, we would propose a draft almost every day. The proposed amendments of the Government could be summarized into four directions. Firstly, it includes amendments to wordings, such as to make the definition of "terrorist act" more prudent; and to draw up clearer provisions on the offence of recruiting members for terrorist organizations.

Secondly, there are amendments to principles such as extending the coverage of exclusions to prescribe that normal demonstrations and industrial actions do not constitute acts of terrorism, even if those actions endanger public health or safety or cause serious interference of electronic systems and essential service facilities; reducing the validity period of the order on the specification of persons and property and notice on freezing terrorist funds from three years to two years; and amending the standards of reporting to delete the objectivity element, so that the property holders must make reports only if he subjectively suspects that certain property is terrorist property. As Mr Eric LI pointed out in his speech, such standards of reporting is a major concession on the part of the Government. We had arguments on this issue for a year or two and the Government finally sympathized with the difficulties of the sector and heeded their good advice.

Thirdly, there are procedural amendments such as making additions to the effect that specification of terrorists and terrorist property not designated by the United Nations should be subject to the approval of the Court of First Instance instead of according to administrative measures; the prescription that the executive authorities can only make applications *ex parte* on the specification of terrorists and terrorist property under circumstances where it is allowed under the rules made by the Court of First Instance; the provision that the Secretary for Security cannot freeze the same funds for a second time unless there is new evidence; and the establishment of a compensation appeal mechanism.

Fourthly, there are legal amendments such as adding provisions to explicitly protect legal professional privilege and the right against self-