

For discussion
on 26 April 2004

**Bills Committee on
Clearing and Settlement Systems Bill**

**Parts 1 and 2 of and Schedule 2 to the
Clearing and Settlement Systems Bill
Clause-by-clause examination**

Part 1 and Schedule 2

We propose no Committee Stage Amendment at this stage to Part 1 of and Schedule 2 to the Clearing and Settlement Systems Bill.

Part 2

2. We propose Committee Stage Amendments to clauses 5(1) and (2) to allow a system operator or settlement institution of a designated system to inform the Monetary Authority of its particulars within 6 days of the designation, or of the change to its particulars within 6 days of the change taking effect. These amendments have been proposed in response to a comment from the banks that the time limit of 3 days in the Bill appeared to be very short. The Administration agrees to extend the time limit to 6 days. Please refer to the **Annex** for the marked-up version of clause 5.

Outstanding Issues

3. We are considering some residual comments from the market further to the paper “Summary of comments received and the Administration’s response” (LC Paper No. CB(1)1284/03-04(03)), as well as those comments referred to us by the Legislative Council Assistant Legal Adviser on 22 April 2004. We will revert to Members on the need for any further amendments to these provisions as soon as possible.

Hong Kong Monetary Authority
Financial Services and the Treasury Bureau
26 April 2004

Clearing and Settlement Systems Bill
Proposed Committee Stage Amendments
(Marked-up version)

#106131 v.2

22 Apr 04

Part 2 (Clauses 3 to 12)

Draft 1 (issued: 26 April 2004)

5. Obligation to inform Monetary Authority of name and address, etc.

(1) Every person who, at the time of designation of a clearing and settlement system under this Ordinance, is a system operator or settlement institution of the system shall, within 36¹ days of the designation, inform the Monetary Authority in writing of –

- (a) his name, his place of business, a postal address and an electronic mail address;
- (b) the aspects of the management or operations of the system for which he is responsible; and
- (c) where the person is a corporation, the names and particulars of the directors and shareholders of the corporation and the name and particulars of the chief executive (if any) of the corporation.

(2) Where, subsequent to the designation of a clearing and settlement system, there is any change to the particulars given or required to be given to the Monetary Authority under subsection (1) in respect of the system, every person to whom such change relates shall within 36² days of the change taking effect inform the Monetary Authority in writing of the change.

¹ The amendment seeks to extend the time limit from 3 to 6 days, in response to a request from the banks.

² Refer to footnote 1.