

**Replies to supplementary questions raised by Finance Committee Members in
examining the Estimates of Expenditure 2004-05**

**Director of Bureau : Secretary for the Financial Services
and the Treasury**

Session No. : 5

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Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
<u>S-FSTB(FS)001</u>	SV003	WU King-cheong, Henry	148	Financial Services

Examination of Estimates of Expenditure 2004-05
**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.
S-FSTB(FS)001

Question Serial No.

Head: 148 – Government Secretariat : Subhead (No. & title): 000
Financial Services and the Treasury Operational expenses
Bureau (Financial Services Branch)

SV003

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury
(Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question :

Please provide a breakdown of the estimate for 2004-05 under the item “Hire of services and professional fees”.

Asked by: Hon. WU King-cheong, Henry

Reply:

The estimated expenditure for “Hire of services and professional fees” under Subhead 000 Operational expenses for 2004-05 is \$19.111 million. A major portion of the provision (\$17.392 million) is earmarked to support the operation of the Insider Dealing Tribunal (IDT), the Market Misconduct Tribunal (MMT), the Securities and Futures Appeals Tribunal (SFAT) and the Securities and Futures Appeals Panel (SFAP). In preparing the estimate for 2004-05, we assume that the IDT/MMT will handle 7 cases during the year. The costs of operation differ from case to case depending on the complexity and the time required for hearings. Taking into account past experience, we estimate that each IDT/MMT case will on average cost about \$2.187 million. The total cost of processing 7 cases is therefore \$15.309 million. Another provision of \$2.083 million is for the operation of the SFAT/SFAP. The remaining provision of \$1.719 million is required for meeting expenses for other services such as lease of computer network communication lines and recurrent costs for financial data supporting services.

Signature _____

Name in block letters _____ Tony Miller

Post Title _____ Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date _____ 8.4.2004