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Secretary for Financial Services and the Treasury Bureau  
(Attention: Mr Tommy YUEN, PAS)  
The Treasury Branch  
Financial Services and the Treasury Bureau  
5/F East Wing  
Central Government Offices  
Hong Kong

30 December 2003

**BY FAX**

Fax No. : 2801 7126  
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Dear Mr Yuen,

**Proposed resolution under section 3(1) of the  
Loans Ordinance (Cap. 61)**

I am scrutinizing the above proposed resolution with a view to advising Members and should be grateful if you could clarify the following :

- (a) Is it intended that the reference to "such other Government revenue receivable from bridges and tunnels" is confined to other Government revenue receivable from the toll roads listed in paragraph 17 of the LegCo Brief? If so, should the drafting be improved to reflect this intention? The proposed resolution, as drafted, appears to be wide enough to cover Government revenue receivable from any bridge or tunnel. As you know, apart from receiving revenue from the Government-owned tunnels and the Lantau Link, the Government also receives moneys from other tunnels in the form of royalties and dividends. You may wish to refer to section 9 of the Tate's Cairn Tunnel Ordinance (Cap. 393) and section 13 of the Eastern Harbour Crossing Ordinance (Cap. 215). Any royalties and dividends paid by the tunnel companies concerned to the Government will form part of the general revenue under section 3(1) of the Public Finance Ordinance (Cap. 2). If it is not intended that such royalties and dividends should be included in the proposed securitization, please consider amending the proposed resolution to reflect this clearly.

- (b) It is noted that the Chinese text for "tolls" as applicable to the Aberdeen Tunnel, Cross-Harbour Tunnel, Lion Rock Tunnel, Shing Mun Tunnels and Tseung Kwan O Tunnel is "隧道費" under the Road Tunnels (Government) Regulations (Cap. 368 sub. leg. A) while "使用費" is used as the Chinese text for "tolls" in the Tsing Ma Control Area (Tolls, Fees and Charges) Regulation (Cap. 498 sub. leg. A). Should the same Chinese text be adopted for the same term in the proposed resolution for the sake of consistency?
  
- (c) Please advise whether a copy of the agreement relating to the issue of the notes backed by revenue from Government bridges and tunnels will be laid on the table of the Legislative Council after the execution of the agreement in accordance with section 3(3) of the Loans Ordinance (Cap. 61), or whether the Financial Secretary intends to exercise his discretion under section 3(4) of that Ordinance to exclude the agreement from the application of section 3(3).

To enable me to report to the House Committee on 9 January 2004, I would appreciate it if you could let me have your reply in both languages by *5 January 2004*.

Yours sincerely,

(Connie Fung)  
Assistant Legal Adviser

c.c. LA