

LS/R/14/03-04
2869 9468
2877 5029

Secretary for Financial Services and the Treasury
(Attention: Mr Tommy Yuen, AS (Tsy)(1))
Financial Services and the Treasury Bureau
The Treasury Branch
5/F East Wing
Central Government Offices
Hong Kong

27 April 2004

BY FAX
Fax No. : 2801 7126
Total no. of page : (1)

Dear Mr Yuen,

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

Thank you for your letter of 26 April 2004. We have the following points for your further clarification.

In paragraph 2 of your letter, you cite precedents of resolutions passed by the LegCo in 1991 and 1975. On the face of it, L.N. 398 of 1991 is a resolution similar to the proposed resolution. However, would you elaborate on the similarities between L.N. 151 of 1975 or L.N. 231 of 1975 and the proposed resolution. Further, is L.N. 398 of 1991 related to issuance of Government Bonds?

Besides, it is noted that issuance of Government Bonds could also be effected under the Loans (Government Bonds) Ordinance (Cap. 64). There were resolutions passed by the LegCo under the Ordinance to that effect (L.N. 196 of 1975 and L.N. 72 of 1984). Why do you consider it appropriate for the present proposal to raise loans by issuance of Government Bonds be effected under the Loans Ordinance instead of the Loans (Government Bonds) Ordinance?

In facilitating us to report on the proposed resolution to the House Committee meeting to be held on 30 April 2004, it is appreciated for your reply in both languages by close of play today.

Yours sincerely,

(Stephen LAM)
Assistant Legal Adviser

c.c. DoJ (Attn: Ms Phyllis Ko, SALD(BD)2)