

**LegCo Panel on Financial Affairs
Meeting on 3 May 2004**

List of follow-up actions to be taken by the Administration

1. Proposed resolution to authorize the Government to transfer \$40 billion from the Land Fund to the General Revenue Account

To request the Hong Kong Monetary Authority (HKMA) to provide the following information:

- (a) Whether staff savings could be achieved after the dissolution of the Land Fund; and
- (b) For the staff who was responsible for managing the Land Fund, what arrangements would be made for them after the dissolution of the Land Fund?

2. Briefing on the work of the Hong Kong Monetary Authority

To convey the request of Hon Emily LAU to the Financial Secretary and the Exchange Fund Advisory Committee for provision of the information on the Exchange Fund operating expenses in 2003 set out in the letter dated 30 April 2004 (at Appendix) from the Clerk to Panel to the Chief Executive of HKMA.

By fax: 2878 1396

CB1/PL/FA
2869 9244
2869 6794

30 April 2004

Chief Executive, Hong Kong Monetary Authority
(Attn: Mr Edmond LAU)
55th Floor, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Dear Edmond,

**Panel on Financial Affairs
Meeting on 3 May 2004**

Briefing on the work of the Hong Kong Monetary Authority

Thank you for the paper provided this morning on the Hong Kong Monetary Authority (HKMA)'s operating expenses in 2003. At the request of Hon Emily LAU, I write to invite HKMA to provide the following information to facilitate the discussion at the Panel meeting to be held on 3 May 2004:

- (a) According to the paper provided, the Exchange Fund Operating Expenses (EFOE) cover not only the operating expenses of the HKMA, but also market expenses and non-cash accounting items. Market expenses cover costs related to the investment process of the Exchange Fund, including trading and custodian costs and fees for the external managers. Please provide:
- a breakdown of the EFOE by item; and
 - a breakdown of the market expenses by item.
- (b) While the establishment and strength of the HKMA in 2003 are provided in Annex 2 of the paper, the following information previously requested by Hon Emily LAU are still outstanding:
- a breakdown of the establishment and strength by department by two categories, namely, senior staff and other staff;
 - salaries and other staff costs by department;
 - other departmental expenses; and
 - total expenditure on salaries and departmental expenses by department.

- (c) In the footnote of Annex 2 of the paper, it is stated that the 604 posts in 2003 include 21 posts returned from the Exchange Fund Investment Limited in 2003. Please provide the background of this staff arrangement.

I should be grateful if you would provide the requested information at your earliest convenience.

Yours sincerely,

(Miss Salumi CHAN)
Clerk to Panel

c.c. Hon Ambrose LAU Hon-chuen, GBS, JP (Chairman)

Hon Emily LAU Wai-hing, JP

Mr Osbert LAM, Senior Manager/HKMA (Fax: 2509 9159)