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財經事務及庫務局  
財經事務科  
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FINANCIAL SERVICES AND  
THE TREASURY BUREAU  
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本函檔號 OUR REF.: SUB 12/2/1 (2005) Pt. 8  
來函檔號 YOUR REF.:

7 June 2005

Miss Polly Yeung  
Clerk to Bills Committee  
Legislative Council  
Legislative Council Building  
8 Jackson Road  
Central  
Hong Kong

Dear Miss Yeung,

**Bills Committee on Securities and Futures (Amendment) Bill 2005**

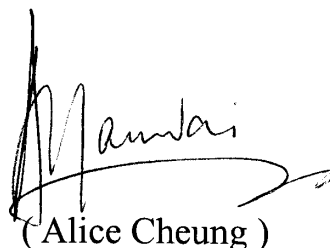
Thank you for your letter dated 28 May enclosing the written submission from Hong Kong Bar Association (the Bar).

The Administration welcomes the views of the Bar and is encouraged to note that the Bar supports the separation of the role of the Chairman from that of the executive arm of the SFC. As pointed out by the Bar, “such separation should result in increased objectivity and independence on the part of the chairman and enhance internal checks and balances within a statutory public body such as the SFC”.

Regarding the Bar’s enquiry about why the captioned Bill does not provide for an arrangement when the CEO post is vacant or when the CEO is unable to act, the Administration wishes to explain that we consider it not necessary to provide for “statutory” contingency arrangements in the Bill in the event that the CEO post is vacant or the CEO is unable to act. This is in line

with the practice of other major statutory bodies like the Airport Authority, Kowloon Canton Railway Corporation, etc. If the CEO is unable to act for a short period of time due to vacation leave or duty visit, his duties will be shared administratively by other Executive Directors (EDs) or SFC colleagues as appropriate, as in the present case of other EDs who are unable to act. If the CEO is unable to act for a relatively long period of time due to illness, absence from Hong Kong or any other cause, we shall arrange for another ED to be appointed as CEO by the Chief Executive under clause 3(e) of the captioned Bill, until such time the CEO can return to office. If the CEO post has become vacant due to resignation, expiry of contract, death, etc., again, we shall arrange for another ED to be appointed as CEO by the Chief Executive under clause 3(e) of the Bill, until such time a new CEO is recruited.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Alice Cheung', with a long horizontal flourish extending to the right.

(Alice Cheung)

for Secretary for Financial Services and the Treasury

c.c. Mrs Avia Lai, Administrative Assistant to Secretary for Financial Services  
and the Treasury  
Department of Justice (Attn: Mr W L Cheung and Ms Beverly Yan)