

**LegCo Panel on Financial Affairs**

**List of follow-up actions arising from discussions in previous sessions**  
(Position as at 16 February 2005)

<b>Subject</b>	<b>Date(s) of relevant meeting(s)</b>	<b>Follow-up actions</b>	<b>Outcome</b>
1. Reinsurance cover for employee compensation insurance policies	20 December 2001	The Administration was requested to provide written reports, on a quarterly basis, on the up-to-date market situation of reinsurance coverage for terrorist activities on treaty arrangements and the Administration's assessment of the continued need for the \$10 billion facility as approved by Finance Committee on 11 January 2002.	The eleventh quarterly report provided by the Administration was circulated to members vide LC Paper No. CB(1)650/04-05(01) on 7 January 2005.
2. Loan Guarantee Scheme for Severe Acute Respiratory Syndrome Impacted Industries	Referred by the Finance Committee at its meeting held on 25 April 2003	The Administration undertook to report the operation of the Scheme to the Panel one year after its implementation, and to submit progress report at six month intervals thereafter.	The second report on the operation of the Scheme was circulated to members vide LC Paper No. CB(1)356/04-05(01) on 29 November 2004.
3. Briefing by Financial	6 December 2003	The Administration was requested to provide	According to Financial

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Secretary on Hong Kong's latest overall economic situation		information in due course regarding the estimated number of jobs created in Hong Kong as a result of the "individual visit" scheme for the Mainland visitors to Hong Kong and the Closer Economic Partnership Arrangement (CEPA) between the Mainland and Hong Kong.	Secretary's Office's interim reply dated 8 October 2004, the Administration is following up the request. It advises that given the complexity of the subject, the Administration needs more time to compile the information.
4. Briefing on the work of the Hong Kong Monetary Authority (HKMA)	1 November 2004	HKMA was requested to provide information in due course on the outcome of its review of findings by authorized institutions regarding the terms and conditions for banking services, including safe deposit box service.	The response provided by HKMA on its findings of banks' review on the terms and conditions for safe deposit box service was circulated to members vide LC Paper No. CB(1)546/04-05(01) and (02) on 20 December 2004.
5. Briefing by the Financial Secretary on Hong Kong's latest overall economic situation	6 December 2004	<p>The Administration undertook to take the following follow-up actions:</p> <p>(a) The Administration undertook that it would, when seeking funding approval from the Finance Committee and its Public Works Subcommittee on public works projects in future, select one or two projects and provide information on the impact on costs by comparing the costs involved for the making of prefabricated components in Hong Kong</p>	The Administration's letter dated 20 January 2005 responding to item (b) was circulated to members vide LC Paper No. CB(1)757/04-05(02) on 20 January 2005.

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		<p>and other places, such as the Mainland.</p> <p>(b) To provide information on the threshold values for the application of the World Trade Organization Agreement on Government Procurement on contracts in respect of government purchase of goods and services.</p> <p>(c) To convey to the Home Affairs Bureau (HAB) a Member's concern about the slow progress in implementing the outstanding capital works projects of the former Provisional Urban Council and Provisional Regional Council, and the Member's request for HAB to brief the relevant LegCo Panel on the subject as soon as possible.</p>	<p>According to Financial Secretary's Office's reply dated 11 January 2005, the Office has requested the Environment, Transport and Works Bureau to take follow-up action for item (a), and has conveyed members' views and request in respect of item (c) to HAB.</p>
6. Proposal of re-structuring the filing fees for non-Hong Kong companies	3 January 2005	The Administration was requested to report to the Panel in due course on the situation about non-Hong Kong companies' compliance with the new requirement for them to file a full annual return. The report should include, inter alia, the statistics on compliance, non-compliance and late returns, enforcement actions taken/to be taken (if any), and measures proposed by the Administration to improve the situation.	Information awaited.
7. Further discussion on	3 January 2005	The Administration was requested to take the	The information was provided in

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<p>proposed amendments to the Securities and Futures Ordinance — the proposal of splitting the post of the Chairman of Securities and Futures Commission into a non-executive chairman post and a chief executive officer post</p>		<p>following actions:</p> <ul style="list-style-type: none"> <li>(a) To provide information the Administration possessed on the remuneration levels for the Chairman and the Chief Executive of the Financial Services Authority of the United Kingdom.</li> <li>(b) To provide information on any views or criteria adopted by the International Organization of Securities Commissions or its Technical Committee on whether and how the chairman post of a regulatory body of the securities and futures industry should be split for the purpose of enhancing its governance structure.</li> <li>(c) To provide the Administration’s written response to the submissions of various organizations and academics on the proposal of splitting the post of the chairman of the Securities and Futures Commission into a non-executive chairman post and a chief executive officer (CEO) post, and to advise how the various concerns could be addressed.</li> <li>(d) To report to the Panel at a future meeting on</li> </ul>	<p>the Administration’s paper prepared for the meeting held on 17 February 2005 issued on 7 February 2005 (LC Paper No. CB(1)880/04-05(08)).</p>

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		<p>the Administration's plan on the way forward. If the Administration decided that the original proposal should be pursued, it was required to provide details of the proposal for the Panel's consideration, including the respective duties, responsibilities, qualification requirement, recruitment procedures (whether global or local recruitment), appointment procedures and authority, and remuneration levels for the chairman post and CEO post.</p>	
<p>8. Briefing by the Secretary for Financial Services and the Treasury on the relevant policy initiatives featuring in the Chief Executive's 2005 Policy Address</p>	<p>19 January 2005</p>	<p>The Administration was requested to take the following actions:</p> <p>(a) To provide a written response to the list of questions raised by Hon SIN Chung-kai on the 2005 Policy Address (LC Paper No. CB(1)740/04-05(01)).</p> <p>(b) To clarify whether Mandatory Provident Fund investment funds are allowed under the Mandatory Provident Fund Schemes Ordinance (Cap. 485) to invest in the Link Real Estate Investment Trust; and if not, to consider the need for amending the Ordinance to allow MPF investment funds to invest in such type of investment product.</p>	<p>The Administration's responses were circulated to members vide LC Paper No. CB(1)911/04-05(02) on 16 February 2005.</p>

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		<p>(c) To provide a written response to a Member's suggestion for the Administration to put in place a standard system for the determination of wage rates and working hours for the workers employed by government contractors with a view to enhancing the protection for workers and preventing abuses by contractors. The Administration was requested to work out a timetable for putting in place the system.</p> <p>(d) To provide information about the employment opportunities, including the number of jobs created and expected to be created, for the financial services sector under phase I of CEPA and upon further expansion of CEPA.</p>	