

**LegCo Panel on Financial Affairs  
Meeting on 6 February 2006**

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

**Progress report on proposed measures to address risks arising from securities margin financing**

1. Members note that the proposal of imposing a 180% re-pledging limit on securities margin financing (SMF) providers and the long-term measure of complete segregation of collateral of borrowing and non-borrowing margin clients will have cost implications on SMF providers and their clients. In this connection, members request the Securities and Futures Commission to provide the following information:
  - (a) The number of SMF providers that are likely to be affected by the 180% re-pledging limit;
  - (b) The impact of the long-term measure of complete segregation of collateral of borrowing and non-borrowing margin clients:
    - (i) on the operating cost of SMF providers, including the respective impact on small, medium and large-sized SMF providers; and
    - (ii) on borrowing and non-borrowing margin clients, including the likely increase in service fees paid by them.

**Briefing on the draft Mandatory Provident Fund Scheme (General) (Amendment) Regulation 2006**

2. In response to a member's enquiry about the progress of the review of contribution and recovery issues relating to the mandatory provident fund (MPF) system, the Mandatory Provident Fund Schemes Authority (MPFA) undertakes to provide the following information:

- (a) The progress of the review of contribution and recovery issues for enhancing the protection for employees and MPF scheme members,; and
- (b) MPFA's plan and proposal(s) to address the concern about the lack of protection for employees whose employers have not registered them with any MPF schemes.

Council Business Division 1  
Legislative Council Secretariat  
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