

15 May 2006

Clerk to the Legislative Council Panel on Financial Affairs
Legislative Council Building
8 Jackson Road
Central, Hong Kong
(Attn : Miss Salumi Chan)

Dear Miss Chan,

Panel on Financial Affairs
Follow-up to the meeting on 4 May 2006

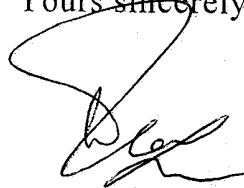
Thank you for your letter dated 10 May 2006 enclosing the LegCo Secretariat's Research and Library Services Division's research report on *the Governance of the Hong Kong Monetary Authority and Comparable Authorities in Hong Kong and Overseas Jurisdictions*.

I note that the report was prepared in 2003, before the establishment of the Governance Sub-Committee (GSC) of the Exchange Fund Advisory Committee (EFAC), although the report was brought to the attention of EFAC Members at the time, as was the HKMA's written response.

Members of the Financial Affairs Panel have asked the GSC to consider the report and respond to it and certain specific findings and views expressed by Members set out in your letter. I am happy to ask the Sub-Committee to do so in so far as these points have not already been addressed. I have therefore asked the HKMA to circulate the report and the HKMA's original response to GSC Members so that I can seek their views.

As I am sure you will appreciate, the demands on the time of GSC Members are numerous and, given the length of the report, I am afraid that it will not be possible for us to respond by your deadline of 29 May 2006. We will, however, do our best to respond within a reasonable time.

Yours sincerely,



(Marvin Cheung)
Chairman, Governance Sub-Committee
of the Exchange Fund Advisory Committee