

立法會
Legislative Council

LC Paper No. LS19/06-07

**Paper for the House Committee Meeting
on 8 December 2006**

**Legal Service Division Report on
Subsidiary Legislation Gazetted on 1 December 2006**

Date of tabling in LegCo : 6 December 2006

Amendment to be made by : 20 December 2006 (or 24 January 2007 if extended by resolution)

**Legal Practitioners Ordinance (Cap. 159)
Legal Practitioners (Risk Management Education) (Amendment) Rules 2006
(L.N. 261)**

Under the Legal Practitioners (Risk Management Education) Rules (Cap. 159 sub. leg. Z), solicitors, trainee solicitors and foreign lawyers are required (by phases) to attend risk management education courses.

2. These Rules add a new section to enable The Law Society of Hong Kong to grant exemption to persons to whom the Rules apply from such requirements when it is satisfied that it is fair and reasonable in the circumstances of the case and The Law Society of Hong Kong may attach such conditions as it considers necessary.

3. These Rules shall come into operation on a day to be appointed by the President of The Law Society of Hong Kong by notice published in the Gazette.

**Organized and Serious Crimes Ordinance (Cap. 455)
Organized and Serious Crimes Ordinance (Amendment of Section 24C(1) and
Schedule 6) Notice 2006 (L.N. 262)**

4. Section 24C of the Organized and Serious Crimes Ordinance (Cap. 455) requires a remittance agent or money changer to keep a record of specified particulars and to verify certain particulars with regard to a remittance transaction or exchange transaction, but the section specifies that this requirement should not apply to a transaction which is less than \$20,000. Section 2 of this Notice lowers the threshold from \$20,000 to \$8,000.

5. Section 3(1) of the Notice has the effect of making it mandatory for a remittance agent carrying on the business of sending or arranging for the sending of money to a place outside Hong Kong to keep a record of specified particulars of senders before completing a remittance transaction. At present, the specified particulars are recorded only if they are available.

6. Section 3(2) of the Notice adds a requirement that a remittance agent arranging for the receipt of money in a place outside Hong Kong shall keep a record of the particulars of senders specified in the section.

7. Members may refer to the LegCo Brief issued by the Security Bureau dated 29 November 2006 for background of this Notice. According to the Administration, the Notice is the first stage implementation of the Special Recommendation VII by the Financial Action Task Force on Money Laundering, the international anti-money laundering standard setter.

8. At its meeting on 7 November 2006, the Panel on Security was briefed on the Administration's proposal to lower the threshold for the requirements of verifying customer's identity and record-keeping in remittance and money exchange transactions from \$20,000 to \$8,000. A member suggested that a higher threshold equivalent to Euro 1,000 be adopted in Hong Kong. Another member pointed out that the threshold of \$8,000 could be easily bypassed by dividing a sizable transaction into smaller ones, and suggested the Administration consider conducting surprise inspections on local remittance agents and money changers on an ongoing basis.

9. The Notice shall come into operation 26 January 2007.

Tax Reserve Certificates (Fourth Series) Rules (Cap. 289 sub. leg. A)
Tax Reserve Certificates (Rate of Interest) Notice 2006 (L.N. 263)

10. This Notice fixes the rate of interest payable on tax reserve certificates issued on or after 4 December 2006 at 2.600% per annum.

Construction Industry Council Ordinance (12 of 2006)
Construction Industry Council Ordinance (Commencement) Notice 2006
(L.N. 264)

11. The Construction Industry Council Ordinance (12 of 2006) passed on 1 June 2006 provides for the establishment of the Construction Industry Council ("CIC") with the functions of, amongst other things, eventually taking over the functions of the Construction Industry Training Authority.

12. This Notice appoints 1 February 2007 as the day on which certain provisions of the Ordinance relating to the establishment, financial provisions and operation of CIC shall come into operation.

Prepared by

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5 December 2006