

Panel on Financial Affairs

List of outstanding items for discussion
(as at 2 January 2009)

**Proposed timing
for discussion at
Panel meeting**

1. Briefing on the work of the Hong Kong Monetary Authority (HKMA)

The Chief Executive of HKMA briefs the Panel on the work of HKMA on a regular basis. Such briefings are normally held in February, May and November each year.

February 2009
May 2009

2. Rewrite of the Companies' Ordinance

The Administration proposes to brief the Panel on the latest progress of the exercise to rewrite the Companies Ordinance. The briefing was originally scheduled for the meeting to be held on 5 May 2008 and then deferred to the June meeting. The Administration has advised that as the topical public consultations on several subjects of the Companies Ordinance are being conducted and preliminary feedback from the public on the various proposals would not be available until October/ November 2008, it proposes that the briefing be deferred to a meeting in late 2008 so that members can be informed of the preliminary views collected in the public consultations.

February 2009

The Administration proposes to brief the Panel on the progress of the rewrite exercise at the meeting in February 2009. It plans to introduce the legislative proposals arising from the rewrite exercise in the 3rd quarter of 2010.

3. Budget of the Securities and Futures Commission for the financial year of 2009 – 2010

The Panel will be briefed on the main features of the budget of the Securities and Futures Commission for the financial year of 2009-2010. The Administration plans to submit the proposal to the Finance Committee in April 2009.

March 2009

4. Policy response to the review of the HKMA's work on banking stability

HKMA will brief the Panel on the policy response to the

April 2009

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review report.

5. Computer equipment and services required by the Census and Statistics Department for the 2011 Population Census

The Panel will be consulted on the proposed creation of a new commitment for purchasing the required computer equipment and engaging services for the 2011 Population Census to be conducted by the Census and Statistics Department. The proposal will be submitted to the Finance Committee for consideration in May 2009.

April 2009

6. Progress report on the work of the Financial Reporting Council (FRC)

At the meeting on 8 April 2008, FRC briefed the Panel on its work progress since it has commenced full operation in July 2007. Members expressed concern about the effectiveness and transparency of the operation of FRC. The Administration/ FRC were required to review/ consider issues including the appointment of members to FRC, information disclosure on completed cases, safeguard for procedures in handling complaints and mechanism for declaration of interest by FRC staff. The Panel also invited FRC to update the Panel on its work progress on an annual basis.

April/ May 2009

7. Review of the Trustee Ordinance

The Administration proposes to brief the Panel on the latest progress of the review of the Trustee Ordinance for the purpose of facilitating the development of the financial services market. The Administration has advised that the scope of the review is still being finalized. The Administration considers that it would be more appropriate to brief the Panel on the subject when more solid progress of the review is available.

May 2009

8. Briefing on the draft Inland Revenue (Amendment) Bill

The Panel will be consulted on the Bill which aims to improve the administration of the Inland Revenue Ordinance by introducing some technical amendments. The Administration plans to present the Bill to the LegCo on 8 July 2009.

May 2009

9. Impact of banks' branch closure and fee-charging on the public

The subject was discussed at the Panel meetings on 3 July 2006, 2 April 2007 and 5 May 2008. May 2009

At the Panel meeting held on 5 May 2008, members remained concerned about the provision of basic banking services to the elderly and the underprivileged. In addition to requesting further information on the utilization and accessibility of non-bank channels, the Panel passed a motion urging the Administration to establish a working group for recommending improvement initiatives to cater for the needs of the underprivileged groups for banking services, and report to the Panel in six months' time.

10. Briefing by the Financial Secretary (FS) on Hong Kong's latest overall economic situation

The Panel has invited FS to brief the Panel and all other LegCo Members on macro economic issues on a regular basis since mid-1999. Such briefings are normally held in June and December each year. June 2009

11. Review of the Mandatory Provident Fund (MPF) Schemes Compensation Fund

During the scrutiny of the Mandatory Provident Fund Schemes (Amendment) (No.2) Bill 2007, some members of the Bills Committee raised concern about the mandatory contributions owed to employees if the employer companies became insolvent. A member suggested that to better protect the interest of employees, consideration might be given to extending the scope of the MPF Schemes Compensation Fund to cover default MPF contributions owed by insolvent employer companies. As the suggestion will not be pursued in the context of the Bill, members of the Bills Committee agreed to refer this to the Panel for follow-up. July 2009

12. Rewrite of the Companies Ordinance

The Panel will be briefed on the latest progress of the rewrite of the Companies Ordinance. The Administration plans to July 2009

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present the legislative proposals in the third quarter of 2010.

13. Review of the "abscondee" regime under the Bankruptcy Ordinance (Cap.6) (BO)

In the course of deliberation, members of the Bills Committee on Statute Law (Miscellaneous Provisions) Bill 2007 were advised by the Administration of its plan to review the "abscondee" regime (i.e. bankrupts who left Hong Kong and could not be contacted) under BO. The Administration further advised that taking into account the policy content involved in the review, and the fact that more time would be needed to study the issue and conduct necessary research into relevant developments in other common law jurisdictions and consultations, it was not appropriate or possible to include legislative amendment proposals with respect to the "abscondee" regime as a whole in the Bill. Any proposed legislative amendments to the "abscondee" regime should be taken forward in a separate exercise.

To be followed up
in 2009

Members of the Bills Committee were concerned about the timeframe for introducing the proposed legislative amendments to the "abscondee" regime and whether public consultation would be conducted. The Bills Committee agreed that the issues should be referred to the Panel for follow-up. The Administration subsequently advised that it was in the process of conducting a research on the "abscondee" regime. Depending on the results of the research in 2009, it will then be in a better position to assess the scope of necessary amendments to BO and the likely timing to pursue such amendments.

14. Scheme for outsourcing summary bankruptcy cases

The purpose of the Bankruptcy (Amendment) Bill 2004 is to empower the Official Receiver to outsource debtor-petition summary bankruptcy cases to private-sector insolvency practitioners. The Bills Committee on Bankruptcy (Amendment) Bill 2004 requested the Administration to review the outsourcing scheme after implementation of the scheme. The Secretary for Financial Services and the Treasury undertook in his speech during the resumption of the Second Reading debate on the Bill at the Council meeting on 6 July 2005 that the Administration would review the outsourcing scheme 24 months after implementation of the

To be followed up
in the 2009-2010
session

scheme and report the outcome of the review to the LegCo. The relevant subsidiary legislation was approved in June 2007. The commencement notice was tabled at the LegCo meeting on 17 October 2007 for the Bankruptcy (Amendment) Ordinance 2005 to take effect on 10 December 2007. The Administration was invited to report the outcome of the review on the outsourcing scheme to the Panel in due course.

A pilot scheme for outsourcing 15% of the cases was implemented in May 2008. As the Administration has previously committed to review the outsourcing scheme 24 months after implementation, it will revert to the Panel in the next legislative session.

15. Briefing on the draft Companies (Amendment) Bill 2006

The Companies (Amendment) Bill 2006 aims to enable the introduction of a scripless securities market allowing securities to be issued and transferred electronically.

To be confirmed

As advised by the Administration, the Securities and Futures Commission and the Hong Kong Exchanges and Clearing Limited are considering the best way forward regarding the implementation of a scripless securities market.

16. Business practices of authorized institutions in relation to credit cards

Hon KAM Nai-wai had written in expressing concern in relation to credit cards and requested that the subject be discussed at a Panel meeting. The Administration/ HKMA were requested to provide information to address Mr KAM's concerns about the regulation of credit card business and measures to protect the interest of credit card customers in respect of the terms and conditions for credit card services. The information provided by the Administration/ HKMA has been circulated to members vide LC Paper No. CB(1)511/08-09(02) on 2 January 2009.

To be confirmed