立法會 Legislative Council

LC Paper No. CB(1)1865/10-11 (These minutes have been seen by the Administration)

Ref: CB1/BC/12/09

Bills Committee on Competition Bill

Minutes of ninth meeting on Tuesday, 22 February 2011, at 4:30 pm in the Chamber of the Legislative Council Building

Members present: Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)

Hon Ronny TONG Ka-wah, SC (Deputy Chairman)

Hon Albert HO Chun-yan

Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP

Hon LEE Cheuk-yan

Hon Fred LI Wah-ming, SBS, JP

Dr Hon Margaret NG

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon Miriam LAU Kin-yee, GBS, JP

Hon Emily LAU Wai-hing, JP

Hon Abraham SHEK Lai-him, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, MH

Hon Jeffrey LAM Kin-fung, SBS, JP

Hon WONG Ting-kwong, BBS, JP

Hon CHIM Pui-chung

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon Cyd HO Sau-lan

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, BBS, JP

Hon Paul CHAN Mo-po, MH, JP

Hon CHAN Kin-por, JP

Dr Hon LEUNG Ka-lau

Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, BBS

Hon IP Kwok-him, GBS, JP

Hon Paul TSE Wai-chun

Hon Alan LEONG Kah-kit, SC

Hon LEUNG Kwok-hung Hon WONG Yuk-man

Members absent: Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP

Dr Hon Philip WONG Yu-hong, GBS Hon Audrey EU Yuet-mee, SC, JP

Hon CHAN Hak-kan

Hon Mrs Regina IP LAU Suk-yee, GBS, JP

Dr Hon Samson TAM Wai-ho, JP

Hon Tanya CHAN

Public Officers attending

Agenda item I

Ms Linda LAI Wai-ming, JP

Deputy Secretary for Commerce and Economic

Development (Commerce and Industry)

Mr Raymond WU Wai-man

Principal Assistant Secretary for Commerce & Economic Development (Commerce & Industry)

Mr Michael LAM Siu-chung Senior Assistant Law Draftsman

Department of Justice

Ms Phyllis POON Hon-ying Senior Government Counsel

Department of Justice

Mr David Alan GROVER Senior Government Counsel

Department of Justice

Clerk in attendance: Ms Debbie YAU

Chief Council Secretary (1)6

Staff in attendance : Mr Timothy TSO

Assistant Legal Adviser 2

Mr Ken WOO Senior Council Secretary (1)6

Action

I Meeting with the Administration

Matters arising from last meeting

(LC Paper No. -- List of follow-up actions arising CB(1)1355/10-11(01) from the discussion at the meeting on 15 February 2011

LC Paper No. CB(1)1355/10-11(02) -- Administration's response to (issued on 11 March 2011) CB(1)1355/10-11(01))

Object, Commencement and Interpretation of the Bill

(LC Paper No. -- Summary of views expressed by CB(1)1034/10-11(04)

No. -- Summary of views expressed by deputations on the object, commencement and interpretation of the Bill, and the Administration's response

LC Paper No. CB(1)320/10-11(03) -- Assistant Legal Adviser's letter dated 26 October 2010 to the Administration (clause 2)

LC Paper No. CB(1)1034/10-11(05) -- Administration's response to CB(1)320/10-11(03) (paragraphs 2 and 3))

Institutional arrangement

(LC Paper No. -- Summary of views expressed by deputations on the institutional arrangement of the Bill, and the Administration's response

LC Paper No. CB(1)320/10-11(02) -- Administration's information paper on overview of major components of the Competition

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Bill (paragraphs 3 to 14 on institutional arrangement)

LC Paper No. CB(1)320/10-11(03) -- Assistant Legal Adviser's letter dated 26 October 2010 to the Administration (clause 143, Part 11 and Schedule 6)

LC Paper No. CB(1)1355/10-11(04) -- Submission from PCCW Limited (English version only)

LC Paper No. CB(1)1523/10-11(03) -- Administration's speaking note on (issued on 11 March 2011) institutional arrangement

The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

- 2. <u>The Bills Committee</u> requested the Administration to provide written responses to the following concerns/requests
 - (a) in relation to paragraph 6 of the Administration's paper (CB(1)1034/10-11(05)) that read "... a competition law should be meant to catch only conduct which has an 'appreciable effect' on competition...", provide explanation on "appreciable effect" as set out in the laws or relevant guidelines of other competition jurisdictions and advise whether the conduct included "hard-core" conduct;
 - (b) provide information on the thresholds for exempting anti-competitive conduct adopted by other competition jurisdictions in the laws or in the relevant guidelines;
 - (c) the Administration's proposal on which statutory bodies or their activities would be brought under the purview of the Bill should be provided as soon as practicable, preferably within a month as requested by Hon Margaret NG, and the information should include
 - (i) the nature of activities engaged by individual statutory bodies and the benefits brought to the community;
 - (ii) the objectives of establishing the statutory bodies;
 - (iii) their past performance especially during financial crisis

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- as compared with similar service providers in the private sector; and
- (iv) whether counterparts in other competition jurisdictions (such as Singapore and South Korea) were exempted from the competition laws.
- (d) whether exemption would be given to those public bodies which were set up voluntarily or at the advice of the Government to, inter alia, supervise the industry sector or respond to instances of market failure; and
- (e) provide information on the trade associations comprising small and medium enterprises for which briefings had been conducted by the Administration on the Bill and the number of briefings held.

Clause 129

- 3. After exchanging views, the Administration agreed to consider including in the Bill, as a new function of the proposed Competition Commission or in another place of the Bill that was more appropriate, the phrase "to enhance economic efficiency and the free flow of trade through promoting sustainable competition, thereby bringing benefits to both the business sector and consumers" or some other wordings to similar effect.
- 4. <u>The Chairman</u> reminded members that the next meeting of the Bills Committee would be held on 15 March 2011 at 4:30 pm.

II Any other business

5. There being no other business, the meeting ended at 6:35 pm.

Council Business Division 1
<u>Legislative Council Secretariat</u>
11 April 2011

Proceedings of the ninth meeting of Bills Committee on Competition Bill on Tuesday, 22 February 2011, at 4:30 pm in the Chamber of the Legislative Council Building

Time marker	Speaker	Subject(s)	Action required
000830 - 000928	Chairman	Opening remarks by the Chairman.	
000929 – 001348	Chairman Administration	Matters arising from last meeting The Administration outlined its response to members' views and concerns raised at the meeting of the Bills Committee on 15 February 2011 (CB(1)1355/10-11(02)).	
001349 – 001833	Chairman Assistant Legal Adviser (ALA)	The Chairman expressed concern that according to the definition of "shadow director" in the Bill, a person might be regarded as a shadow director if just one director, and not "a majority of the directors of a company" as provided in the definition of "shadow director" of the Companies Ordinance (Cap. 32), was accustomed to act according to that person's directions or instructions. He highlighted that it would be impracticable for only one or a few directors who were affected by a person to affect the final decisions of the board of directors of an undertaking. ALA advised that, while "shadow director" defined in the laws of the United Kingdom (UK), like the Company Directors Disqualification Act 1986, the Companies Act 2006 and the Insolvency Act 1986, was broadly similar to the one currently proposed in the Bill, i.e. without the phrase "or a majority of the directors", courts in the UK had in a number of occasions ruled that a person would only be regarded as a shadow director if "a majority of the directors" was accustomed to act according to that person's directions or instructions. As the Administration had indicated its policy intent to regard a person as a shadow director if his/her directions or instructions would affect the action and decision of even just one director, members might wish to consider whether they agreed to such policy intent more clearly in the definition of "shadow director" under the Bill.	
001834 – 002505	Chairman Mr CHAN Kam-lam Administration	Mr CHAN Kam-lam considered that the Administration should decide on the "de minimis" arrangements as soon as practicable to allay the concerns of small and medium enterprises (SMEs) and to facilitate further scrutiny of the Bill. Referring to paragraph 6 of the Administration's paper (CB(1)1034/10-11(05)) that read " a competition law should be meant to catch only conduct which has an 'appreciable effect' on competition", he requested the Administration to provide explanation on "appreciable effect" as set out in the laws or guidelines of other	The Administration to provide information as requested in paragraph 2(a) of the minutes.

Time marker	Speaker	Subject(s)	Action required
		competition jurisdictions. Given the lack of market power of SMEs, he also considered it justified for not catching SMEs carrying out "hard-core" anti-competitive conduct under the Bill as they did not have an "appreciable effect" on competition.	
		The Administration advised that it was carefully considering members' suggested "de minimis" arrangements under the new law. Different mechanisms were used in other competition jurisdictions, such as by specifying an annual turnover cap in the law like the "small agreement" approach stipulated in the UK's Competition Act 1998 or by setting out market share thresholds in the relevant guidelines. The Administration further pointed out that "hard-core" anti-competitive conduct, like price-fixing and bid-rigging, almost always had an adverse effect on competition to the detriment of consumers and market but rarely had any redeeming economic benefit, and should therefore be prohibited by law regardless of the size of the undertakings concerned. As such, careful consideration had to be given when deciding whether to exempt SMEs from the conduct rules even if they were engaging in "hard-core" anti-competitive conduct. The Administration also highlighted that, under the "de minimis" arrangements in the UK, undertakings concerned were immune from pecuniary penalty but they still needed to comply with the other directive(s) issued by the competition authorities.	
002506 – 003114	Chairman Dr Margaret NG ALA Administration	Dr Margaret NG remarked that if the Bills Committee considered that the definition of "shadow director" in the Bill should include the phrase "or a majority of the directors of the company" to tally with that in the Companies Ordinance (Cap. 32), the Administration should move a Committee Stage Amendment to that effect. ALA agreed that the Administration should clarify the policy intent and amend the definitions of "shadow director" accordingly to clearly reflect the policy intent as, otherwise, it might give rise to different interpretations by the courts.	
		The Administration explained that by defining the scope of "director" to include a "shadow director", the Bill enabled the proposed Competition Tribunal (the Tribunal) to make disqualification order against a person who was not occupying the position of director or apparently involved in the management of a company, but nevertheless had significant influence over a director/directors of the company through his/her directions or instructions. The present drafting would be able to catch each of the shadow directors in a company involving a few shadow directors with each exerting influence over a director and the decision of these individual directors contributed to the final decision of the board.	

Time marker	Speaker	Subject(s)	Action required
		Dr NG considered that the Administration's view was consistent with members' opinion and asked ALA to further deliberate with the Administration on whether it would be appropriate to adopt the definition of "shadow director" in the Companies Ordinance (Cap. 32) for the Bill. The Chairman considered that the director making the decision should also be held responsible for the contravention.	
003115 - 003744	Chairman Mr Jeffrey LAM Administration	Mr Jeffrey LAM urged the Administration to address members' concern over the absence of the phrase "or a majority of the directors" in the definition of "shadow director" in the Bill. He also questioned why the threshold for breaching the conduct rules had been changed from "substantially lessening competition", as stated in the public consultation paper entitled "Detailed Proposals for a Competition Law" issued by the Government in May 2008, to "prevent, restrict or distort competition" now proposed in the Bill, as he considered the former threshold clearer. The Administration advised that in the light of the response to the public consultation that "substantially lessening competition" was principally used in the context of regulating merger activities and with reference to the UK Competition Act, it had subsequently considered "prevent, restrict or distort competition" as a simpler and more immediate test for assessing business conduct therefore it was adopted in the Bill. The Administration assured members that details relating to "prevent, restrict or distort competition" would be elaborated in the regulatory guidelines to be drawn up by the proposed Competition Commission (the Commission).	
003745 – 004308	Chairman Mr Abraham SHEK Administration	In response to Mr Abraham SHEK's enquiry, the Administration advised that it was working on its proposals on which statutory bodies or their activities would be brought under the purview of the Bill. As there were a large number of statutory bodies with very diverse functions set up in Hong Kong, it was carefully examining the operation of and activities engaged in by these entities within the legal framework. The Administration planned to brief members on the proposals when the relevant component was discussed according to the work plan (CB(1)320/10-11(01)) endorsed by the Bills Committee at the meeting on 9 November 2010. Mr SHEK emphasized the need to have the above information ready as soon as practicable to facilitate members' detailed scrutiny.	The Administration to provide information as requested in paragraph 2(c) of the minutes.
004309 – 004851	Chairman Ms Emily LAU Administration	Ms Emily LAU expressed her full support for the Bill and hoped that it could be passed by early 2012. She noted the worries of SMEs and urged the Administration to brief	The Administration to provide information as

Time marker	Speaker	Subject(s)	Action required
		SMEs on the Bill and the relevant thresholds under the "de minimis" arrangements. In response, the Administration explained that it had all along been in touch with the business sector, including SME associations, to brief them on the objectives and key elements of the Bill. It would further reach out to the community, like District Councils and the academic sector, in further enhancing the public understanding on the Bill.	requested in paragraph 2(c) of the minutes.
		Responding to Ms LAU's further enquiry, the Administration briefed members on clauses 3 to 5 of the Bill that the provisions in the Bill did not apply to statutory bodies except those the activities of which were not directly related to the provision of an essential public service or the implementation of public policy and they might be brought under the purview of the Bill by regulation to be made by the Chief Executive in Council.	
		Ms LAU considered it more appropriate to set out in a schedule to the Bill those statutory bodies to be exempted from the Bill. In view of the public concerns about some statutory bodies engaging in economic activities in direct competition with the private sector, Ms LAU urged the Administration to be fair and open in considering the exemption arrangement for statutory bodies, and furnish the Bills Committee with relevant details as soon as possible.	
004852 – 005446	Chairman Mr Albert HO Administration	Mr Albert HO concurred with Ms Emily LAU on the appropriate approach in exempting the statutory bodies. He cited the example of the Urban Renewal Authority (URA) which was criticized for building high-priced residential flats in direct competition with private developers deviating from the role of providing essential public services. Mr HO reiterated his concern that the threshold under the "de minimis" approach as well as market share level constituting substantial market power should be set out in the Bill subject to Members' scrutiny.	The Administration to provide information as requested in paragraph 2(c) of the minutes.
		The Administration clarified that under the UK Compeition Act, the "small agreement" exemption did not include price-fixing agreements.	
005447 – 005808	Chairman Mr Abraham SHEK Administration	Mr Abraham SHEK considered that company directors should primarily be held responsible for their own decision and liable for any contravention of competition rules. Mr SHEK suggested the Administration to consult the Hong Kong Institute of Directors for improving the definition of "shadow director" in the Bill.	
		The Administration clarified that by defining the scope of "director" to include a "shadow director", the Bill enabled the Tribunal to make disqualification order(s) against the shadow director(s) concerned, and not only the director(s), when there was contravention of competition rules.	

Time marker	Speaker	Subject(s)	Action required
005809 – 010103	Chairman Mr Jeffrey LAM Administration	In response to Mr Jeffrey LAM's call for the Administration to strengthen communication with SMEs in relation to the legal requirements of the Bill, the Administration responded that it had always maintained communication with SMEs and further meetings could be arranged for more detailed discussion. At the request of Mr LAM, the Administration undertook to provide information on the trade associations comprising SMEs for which briefings on the Bill had been conducted and the number of briefings held.	The Administration to provide information as requested in paragraph 2(e) of the minutes.
010104 – 010512	Chairman Dr Margaret NG Administration	Dr Margaret NG said that she understood many supporters of the Bill, including some legal practitioners and the Law Society of Hong Kong, had expressed concern that statutory bodies were not brought under the purview of the Bill at the outset. Dr NG suggested revising the mechanism by requiring statutory bodies which were intended to be exempted from the Bill to apply to the Commission for exemption.	The Administration to provide information as requested in paragraph 2(c) of the minutes.
		Given the clear definition of "statutory body" and that the criteria to be considered by the Chief Executive in Council for not exempting a statutory body had clearly been set out in clause 5(2), Dr NG said that she did not envisage much difficulty for the Administration to draw up the list of statutory bodies to be brought under the purview of the Bill which should be made available in about a month's time. It was undesirable that the scope of application of the Bill was not clearly set out when it was first introduced, and the Bills Committee could not proceed with its scrutiny work without the list.	
		The Administration reiterated that it took time for the Commerce and Economic Development Bureau to liaise with other bureaux and departments on the application of the Bill to the statutory bodies under their purview.	
010513 – 010925	Chairman Mr CHAN Kam-lam Administration	In deciding on the statutory bodies to be brought under the purview of the Bill, Mr CHAN Kam-lam stressed that considerations should be given to the nature of activities engaged by individual statutory bodies and the benefits brought to the community, such as promoting economic efficiency of a specific market, or providing essential public services that were not available in the private sector. For example, in addition to accelerating redevelopment by replacing old buildings, URA also engaged in providing park facilities and offering building rehabilitation loan which were not available in the private sector.	The Administration to provide information as requested in paragraph 2(b) of the minutes.
		Mr CHAN Kam-lam and the Chairman requested the Administration to provide information on the thresholds for exempting anti-competitive conduct adopted by other competition jurisdictions in the laws or in the relevant	

Time marker	Speaker	Subject(s)	Action required
		guidelines. The Administration advised that setting out the thresholds under the "de minimis" arrangements in the law as requested by some members required specifying the interpretation of the term(s) in the Bill to facilitate enforcement. The Administration was studying members' request and would provide a written response when it was ready.	
010926 – 011312	Chairman Mr WONG Ting-kwong Administration	Mr WONG Ting-kwong expressed concern about bringing statutory bodies under the purview of the Bill as some of them, such as the Hong Kong Trade Development Council, were providing services to SMEs. Noting that it was common among Chinese for retired members running family business to exert influence over the decisions of their successors, Mr WONG was concerned that the retired members might satisfy the definition of "shadow director". In response, the Administration invited members' views on whether the phrase "or a majority of the directors" should be included in the definition of "shadow director".	
011313 - 011520	Chairman Mr Jeffrey LAM Administration	Mr Jeffrey LAM requested that the Administration should include in its proposal on which statutory bodies or their activities would be brought under the purview of the Bill the following information — (a) the objectives of establishing the statutory bodies; (b) their past performance especially during financial crisis as compared with similar service providers in the private sector; and (c) whether counterparts in other competition jurisdictions (such as Singapore and South Korea) were exempted from the competition laws. The Administration undertook to provide the requested information.	The Administration to provide information as requested in paragraph 2(c) of the minutes.
011521 – 011930	Chairman Mr James TO Administration	Object, commencement and interpretation of the Bill Continuation of clause-by-clause examination Clause 2 - Interpretation "shadow director" Mr James TO opined that in reviewing the definition of "shadow director" provided in the Bill, the Administration should, while making reference to the other Hong Kong ordinances, strive to avoid creating loopholes under the new law.	

Time marker	Speaker	Subject(s)	Action required
		The Chairman recapped the judgments of UK's courts that a person would only be regarded as a shadow director if "a majority of the directors" of a company was accustomed to act according to that person's directions or instructions. He noted that no members supported the Administration's policy intent of regarding a person as a "shadow director" if he/she had influence on just one director. He urged the Administration to take heed of members' view and amend the definition accordingly.	
011931 – 012445	Chairman ALA Administration	Clause 2 – Interpretation "Broadcasting Authority" and "Telecommunications Authority"	
		ALA advised that the Communications Authority (CA) would be established after the passage of the CA Bill which was currently being scrutinized by a Bills Committee. In the event that the passage of the CA Bill was ahead of the Bill under examination, the Administration would need to propose Committee Stage Amendments to provisions relating to the Telecommunications Authority and the Broadcasting Authority in the Bill to reflect the latest changes. The Administration said that it was aware of the need to make changes to the Bill after the passage of the CA Bill.	
012446 – 013217	Chairman Mr CHAN Kin-por ALA Administration Mr CHAN Kam-lam Mr Ronny TONG Mr Jeffrey LAM	Object, commencement and interpretation of the Bill Clause-by-clause examination of the English version Long title Mr CHAN Kin-por referred to the views expressed by The Law Society of Hong Kong in the relevant summary of views expressed by deputations (CB(1)1034/10-11(04)) that the Bill should contain a concise object of promoting economic efficiency for the benefit of Hong Kong by prohibiting conduct and mergers that substantially lessened competition. He considered that the Administration should take heed of the view. ALA advised that if it was decided to do so, an additional	
		clause might be added to expressly state the object of the Bill or the suggestion could be reflected in the long title. The Administration responded that the current long title of the Bill already completely and adequately described the objects of the Bill contained in the substantive clauses. Upon members' query, the Chairman explained that the Bills Committee would examine both Chinese and English versions of the clauses together except when interpretation	

Time marker	Speaker	Subject(s)	Action required
		side.	
013218 – 013741	Chairman Administration	Institutional arrangement of the Bill Briefing by the Administration on the institutional arrangement of the Bill (LC Paper Nos. CB(1)320/10-11(02) and CB(1)1523/10-11(03)).	
013742 – 014159	Chairman Administration Mr Ronny TONG	Clause-by-clause examination Part 9 – Competition Commission Clause 128 - Establishment of Commission In response to Mr Ronny TONG's question on the authorization of a person to act on behalf of the Commission which was a body corporate, the Administration advised that proper arrangements would be in place for formal delegation of authority. The Administration also drew members' attention to the proposed sections 12 to 18 and 32 of Schedule 5 to the Bill in which provisions for meetings of the Commission were given. Schedule 5 sections 29 to 31 deal with delegation by the Commission and restrictions thereon.	
014200 – 015433	Chairman Administration Mr LEUNG Kwok-hung Ms Cyd HO ALA Mr CHAN Kin-por	Clause 129 - Functions of Commission In response to the Chairman's follow-up on Mr LEUNG Kwok-hung's request for inclusion of the phrase "to enhance economic efficiency and the free flow of trade through promoting sustainable competition, thereby bringing benefits to both the business sector and consumers" in clause 129 of the Bill, the Administration agreed to consider including in the Bill, as a new function of the proposed Competition Commission or in another place of the Bill that was more appropriate, the phrase "to enhance economic efficiency and the free flow of trade through promoting sustainable competition, thereby bringing benefits to both the business sector and consumers", or some other wordings to similar effect. The Administration added that consideration would need to be given to tally the new function with that in the existing provisions. Mr LEUNG Kwok-hung said that he would accept as long as the above phrase was included in the Bill. The Chairman requested the Administration to consider and revert to the Bills Committee. Noting that one of the functions of the Commission as stated in clause 129(c) was to promote the adoption by undertakings carrying on business in Hong Kong of appropriate internal controls and risk management systems to ensure compliance with this Ordinance, Ms Cyd HO asked whether undertakings which did not adopt such	

Ms Cyd HO Administration Mr CHAN Kin-por Ms Cyd HO Administration's response (CB(1)1355/10-11(03)) institutional arrangement of the Bill and the Administration's response (CB(1)1355/10-11(03)) to provide information requested	Time marker	Speaker	Subject(s)	Action required
the Bill. Chairman Ms Cyd HO Administration Mr CHAN Kin-por Mr Ronny TONG Mr CHAN Kin-por expressed concern whether activities carried out by some public bodies which were set up voluntarily or at the advice of the Government to, inter alia, supervise the industry sector and to respond to instances of market failure would be regulated by the Bill. The Chairman requested the Administration to consider giving exemption to these public bodies. Mr Ronny TONG considered it appropriate for the Chief Executive in Council to take into account relevant factors, like exceptional and compelling reasons of public policy, in considering exemption for these public bodies or their activities. Chairman Meeting arrangements			for the Commission to suspect that a contravention of any competition rules had taken place and exercise its investigative power. In view of the possible difficulties for SMEs to understand the legal requirements and draw up relevant guidelines, the Chairman urged that the Commission should consider modelling on the work of the Equal Opportunities Commission in promulgating guidelines through publicity and public education to facilitate SMEs' compliance with the new law. The Administration explained that clause 129(c) was meant to task the Commission to encourage undertakings to put in place relevant guidelines and staff training to ensure compliance with the new law. The Commission might draw up sample guidelines for the reference of SMEs. The Administration assured members that non-adoption of the controls and systems by undertakings alone would not	
020552	020534 -	Ms Cyd HO Administration Mr CHAN Kin-por Mr Ronny TONG	Summary of views expressed by deputations on the institutional arrangement of the Bill and the Administration's response (CB(1)1355/10-11(03)) Discussion on clause 129(c). Mr CHAN Kin-por expressed concern whether activities carried out by some public bodies which were set up voluntarily or at the advice of the Government to, inter alia, supervise the industry sector and to respond to instances of market failure would be regulated by the Bill. The Chairman requested the Administration to consider giving exemption to these public bodies. Mr Ronny TONG considered it appropriate for the Chief Executive in Council to take into account relevant factors, like exceptional and compelling reasons of public policy, in considering exemption for these public bodies or their activities.	information as requested in paragraph 2(d) of
		Chairman	riceting arrangements	

Council Business Division 1 <u>Legislative Council Secretariat</u> 11 April 2011