

立法會
Legislative Council

LC Paper No. LS49/09-10

**Paper for the House Committee Meeting
on 26 February 2010**

**Legal Service Division Report on
Proposed Resolution under section 7(1) of the
Public Finance Ordinance (Cap. 2)**

The Secretary for Financial Services and the Treasury (SFST) has given notice that he will move this year's Vote on Account at the Legislative Council meeting on 10 March 2010.

2. The purpose of the proposed resolution is to seek funds on account to enable the Government to carry on its services between the start of the financial year on 1 April 2010 and the time when the Appropriation Ordinance 2010 comes into operation. This procedure has been established under section 7(1) of the Public Finance Ordinance (Cap. 2) (the Ordinance).

3. According to paragraph 1 of the proposed resolution, the aggregate total sum sought under all heads is fixed at 58,957,489,000 this year (the sum sought last year was 61,075,637,000). The aggregate total sum cannot be exceeded without the approval of the Legislative Council.

4. Similar to the practice in past years, the funds on account sought under each subhead are calculated in percentage terms by reference to the provision shown in the Estimates of Expenditure 2010-11 to be laid before the Council on 24 February 2010. The percentages are determined in accordance with paragraph 4 of the proposed resolution. The effect of paragraph 4 is that the maximum percentage in respect of an Operating Account Recurrent subhead is 20% (except where there is a different percentage stipulated in Schedule 1 to the proposed resolution), and in respect of an Operating Account Non-Recurrent subhead or Capital Account subhead, 100% (except where there is an amount stipulated in Schedule 2 to the proposed resolution).

5. Paragraph 3 of the proposed resolution stipulates that the expenditure in respect of any head must not exceed the aggregate of the amounts authorized by paragraph 4 to be expended in respect of the subheads in that head. Under paragraph 4 of the proposed resolution, the Financial Secretary (FS) is empowered to vary the fund on account in respect of any subhead, provided that the varied amount does not exceed the provision shown in respect of that subhead in the Estimates.

6. According to the draft speech by SFST, the Administration has undertaken to submit reports to the Finance Committee in case the FS exercises the authority to vary the funds on account in respect of any subhead.

7. Same as last year, the Administration has adopted the following arrangements for the proposed resolution -

- (a) the motion of the proposed resolution has been scheduled to be moved on 10 March 2010, i.e. at least two weeks after the announcement of the Budget on 24 February 2010, in order to allow more time for Members to examine the resolution; and
- (b) in respect of Subhead 689 and Subhead 789 Additional Commitments, the Administration is seeking funds on account only on a need basis.

8. Under section 7(3) of the Ordinance, expenditure charged on the general revenue pursuant to such a resolution shall be set off against the amounts respectively provided in the relevant Appropriation Ordinance upon its coming into operation.

9. The Panel on Financial Affairs has not been consulted on the proposed resolution.

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