

立法會
Legislative Council

LC Paper No. CB(1)2661/10-11
(These minutes have been seen
by the Administration)

Ref : CB1/SS/9/10/2

**Subcommittee on Securities and Futures Ordinance
(Amendment of Schedule 5) Notice 2011 and Securities and Futures
(Financial Resources) (Amendment) Rules 2011**

**Fourth meeting on
Tuesday, 29 March 2011, at 8:30 am
in Conference Room B of the Legislative Council Building**

Members present : Hon James TO Kun-sun (Chairman)
Hon CHAN Kam-lam, SBS, JP
Hon Audrey EU Yuet-mee, SC, JP
Hon WONG Ting-kwong, BBS, JP
Hon CHIM Pui-chung

Public officers attending : Financial Services and the Treasury Bureau

Ms Mandy WONG
Principal Assistant Secretary (Financial Services)

Mr Bernard LO
Assistant Secretary (Financial Services)

Department of Justice

Ms Carmen CHU
Senior Government Counsel

Attendance by invitation : Securities and Futures Commission

Mr Stephen TISDALL
Senior Director of
Intermediaries Licensing and Conduct

Mr Wilson LO
Director of Licensing

Clerk in attendance : Ms Anita SIT
Chief Council Secretary (1)5

Staff in attendance : Mr YICK Wing-kin
Assistant Legal Adviser 8

Mr Hugo CHIU
Council Secretary (1)5

Ms Clara LO
Legislative Assistant (1)10

I Meeting with the Administration

(LC Paper No. CB(1)1724/10-11(01) — The Administration's response to issues raised at the Subcommittee meeting held on 23 March 2011

LC Paper No. CB(1)1676/10-11(01) — The Administration's response to issues raised at the Subcommittee meeting held on 17 March 2011

LC Paper No. CB(1)1613/10-11(01) — The Administration's response to issues raised at the Subcommittee meeting held on 8 March 2011

- L.N. 28 of 2011 — Securities and Futures Ordinance (Amendment of Schedule 5) Notice 2011
- L.N. 29 of 2011 — Securities and Futures (Financial Resources) (Amendment) Rules 2011
- SUB/14/1/5 (2010) — Legislative Council Brief on Securities and Futures Ordinance (Amendment of Schedule 5) Notice 2011 and Securities and Futures (Financial Resources) (Amendment) Rules 2011 issued by the Financial Services and the Treasury Bureau
- LC Paper No. LS29/10-11 — Legal Service Division report on subsidiary legislation gazetted on 18 February 2011
- LC Paper No. CB(1)1499/10-11(01) — Marked-up copy of the Securities and Futures Ordinance (Amendment of Schedule 5) Notice 2011 (L.N. 28 of 2011) prepared by the Legal Service Division
- LC Paper No. CB(1)1499/10-11(02) — Marked-up copy of the Securities and Futures (Financial Resources) (Amendment) Rules 2011 (L.N. 29 of 2011) prepared by the Legal Service Division)

Discussion

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

II Any other business

Way forward

2. The Chairman said that the Subcommittee had completed the scrutiny of the Securities and Futures Ordinance (Amendment of Schedule 5) Notice 2011 and Securities and Futures (Financial Resources)(Amendment) Rules 2011.
3. Members noted the following legislative time-table:
 - (a) the Subcommittee would report its deliberations to the House Committee on 1 April 2011;
 - (b) the deadline for giving notice of amendment(s) to the subsidiary legislation would be 6 April 2011; and
 - (c) the subsidiary legislation would take effect on 1 June 2011 if no amendments were made on or before 13 April 2011.
4. There being no other business, the meeting ended at 8:51 am.

Council Business Division 1
Legislative Council Secretariat
5 July 2011

**Subcommittee on Securities and Futures Ordinance
(Amendment of Schedule 5) Notice 2011 and Securities and Futures
(Financial Resources) (Amendment) Rules 2011**

**Proceedings of the meeting on Tuesday, 29 March 2011, at 8:30 am
in Conference Room B of the Legislative Council Building**

Time Marker	Speaker	Subject(s)	Action Required
000959 – 001015	Chairman	Opening remark	
001016 – 001438	Administration Chairman	<p>The Administration briefed members on the paper "The Administration's response to issues raised at the Subcommittee meeting held on 23 March 2011" (LC Paper No. CB(1)1724/10-11(01)) and explained (i) why the phrase "reasonable expectation" in the definition of "providing credit rating services" should remain unchanged; and (ii) why the use of the Chinese rendition "合理期望" should remain unchanged.</p> <p>Noting that the Administration used the Securities and Futures Ordinance (Cap. 571) ("SFO") to illustrate the usage of the Chinese term "合理期望" and "合理預期" in the paper, the Chairman enquired which term was used more frequently in other Hong Kong statutes. The Administration responded that there was mixed use of both terms in Hong Kong statutes.</p>	
001439 – 001930	Administration Chairman	Regarding the scope of the proposed definitions of "credit ratings" (信貸評級) and "debt securities" (債務證券), the Administration took members through paragraphs 4-8 of the paper to explain why it considered the present definitions to be appropriate. The Chairman remarked that although the Administration had consulted the relevant stakeholders on the legislative proposals including the proposed definitions, those stakeholders might not have considered the issue of novel financial products. However, he had no objection if the Administration maintained that the present definitions were appropriate.	
001931 – 002041	Chairman Administration Clerk	The Chairman drew members' attention to the legislative timetable.	