

The response of the Hong Kong Monetary Authority (HKMA) to Hon. Regina Ip's questions about the Hong Kong Institute for Monetary Research (HKIMR) in her letter to the Chairman of the Panel on Financial Affairs of the Legislative Council dated 24 November 2010

Q1. On what basis and criteria were the visiting scholars selected?

A1. The Council of Advisers of the HKIMR selects the visiting scholars based on a number of factors including quality of research proposals, relevance of the proposals to Hong Kong and the region, professionalism and rigorousness of the scholars' past analyses, standing of the scholars in the field of research and their availability to interact with the research staff of the HKIMR and the HKMA.

Q2. Who set the topics on the "specific research projects"?

A2. Usually a research topic is proposed by the visiting scholars and approved by the Council of Advisers based on the selection criteria mentioned in A1.

Q3. What were the costs involved in arranging the visits of the scholars in questions? Please provide a full, item-by-item break down of the cost involved.

A3. The costs of a visit typically include travelling expenses, accommodation in a hostel, standard medical insurance and visa application. Each visiting scholar also receives a stipend, on average of around US\$1,800 per working week. The level of stipends provided by the HKMA is in line with those provided by other major central banks and international organisations, such as the US Federal Reserve, International Monetary Fund and the Bank for International Settlements.

Q4. While HKIMR's website has a list of working /occasional papers published, it may be difficult for LegCo Members to keep track of all of them in a timely manner. In light of this, could HKMA consider sending a summary of all papers published to the Clerk of this Panel each quarter, and inform Members if there are significant findings in their research?

A4. To keep the Clerk to the Panel on Financial Affairs informed on a timely manner, we will arrange to send her monthly email alerts on the research papers published in the past month together with their summaries. If any Members are interested in receiving similar monthly email alerts, they are welcome to send their requests to hkimr@hkma.gov.hk.

Q5. Who set the themes of the 451 conferences, workshops and seminars in the past 11 years?

A5. In consultation with the Council of Advisers of the HKIMR, the Director of the HKIMR sets the general themes of the conferences, workshops and seminars. The presenters of these events are given the flexibility to deliver specific topics of relevance based on their expertise. This arrangement is in line with the usual practices in the field of monetary research.

- Q6. Are there minutes and/or summary of findings for all these conferences/ workshops/ seminars? If yes, would HKMA share them with Members of this Panel? If not, why and could HKMA start doing so in the future;**
- A6. It is the established practice of the HKIMR to make the presentations and papers of the conferences, workshops and seminars available on its website as far as practicable, subject to restrictions on copyright or consent of the authors. Owing to resource limitations, and in accordance with the usual practices in the field of research, the HKIMR does not produce minutes or summaries of findings for the conferences, workshops and seminars it conducts.
- Q7. On what basis were the discussants and panelists selected;**
- A7. The discussants and panellists are typically recommended by scholars active in a particular field of research, and are selected based on their expertise in the relevant topics, as evidenced by their publications and research papers.
- Q8. Could HKMA in the future invite LegCo Members to attend as discussants/ panelists, their staff and staff of LegCo Secretariat as audience in the future?**
- A8. If LegCo Members, their staff, or staff of LegCo Secretariat are interested in or have research findings to share in any particular topic, they may inform the HKIMR and we will consider inviting them to future events as appropriate.
- Q9. Who or which committee is responsible for approving the annual operating expenditure of HKIMR;**
- A9. The annual operating expenditure of the HKIMR is approved by its Board of Directors, and by the Financial Secretary on the advice of the Exchange Fund Advisory Committee.
- Q10. Has HKIMR ever received value for money audit by the Director of Audit (DoA)? If not, will SFST consider requesting DoA to put HKIMR onto the list of future value for money audit?**
- A10. The operating expenditure of the HKIMR is subject to a stringent approval process overseen by its Board of Directors, and by the Financial Secretary on the advice of the Exchange Fund Advisory Committee. The HKIMR's financial statements are audited by an external auditor every year. Moreover, a proper internal control system is in place. We will keep under review the need for the Director of Audit to conduct value-for-money audits for the HKIMR.