

立法會
Legislative Council

LC Paper No. CB(2) 373/11-12

Ref : CB2/H/5/11

House Committee of the Legislative Council

**Minutes of the 5th meeting
held in Conference Room 1 of the Legislative Council Complex
at 2:30 pm on Friday, 18 November 2011**

Members present:

Hon Miriam LAU Kin-ye, GBS, JP (Chairman)

Dr Hon Margaret NG

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Dr Hon Philip WONG Yu-hong, GBS

Hon LAU Kong-wah, JP

Hon LAU Wong-fat, GBM, GBS, JP

Hon Emily LAU Wai-hing, JP

Hon Andrew CHENG Kar-foo

Hon TAM Yiu-chung, GBS, JP

Hon LI Fung-ying, SBS, JP

Hon Audrey EU Yuet-mee, SC, JP

Hon WONG Kwok-hing, MH

Hon LEE Wing-tat

Dr Hon Joseph LEE Kok-long, SBS, JP

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon CHEUNG Hok-ming, GBS, JP

Hon WONG Ting-kwong, BBS, JP

Hon Ronny TONG Ka-wah, SC

Hon CHIM Pui-chung

Prof Hon Patrick LAU Sau-shing, SBS, JP

Hon KAM Nai-wai, MH

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, BBS, JP

Hon CHAN Hak-kan

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 Wai-ming, MH
Hon Mrs Regina IP LAU Suk-ye, GBS, JP
Hon Paul TSE Wai-chun, JP
Dr Hon Samson TAM Wai-ho, JP
Hon Alan LEONG Kah-kit, SC
Hon LEUNG Kwok-hung
Hon Tanya CHAN
Hon Albert CHAN Wai-yip
Hon WONG Yuk-man

Members absent:

Hon Fred LI Wah-ming, SBS, JP (Deputy Chairman)
Hon Albert HO Chun-yan
Ir Dr Hon Raymond HO Chung-tai, SBS, S.B.St.J., JP
Hon LEE Cheuk-yan
Dr Hon David LI Kwok-po, GBM, GBS, JP
Hon James TO Kun-sun
Hon CHEUNG Man-kwong
Hon Mrs Sophie LEUNG LAU Yau-fun, GBS, JP
Hon WONG Yung-kan, SBS, JP
Hon Timothy FOK Tsun-ting, GBS, JP
Hon Abraham SHEK Lai-him, SBS, JP
Hon Tommy CHEUNG Yu-yan, SBS, JP
Hon Frederick FUNG Kin-kee, SBS, JP
Hon Vincent FANG Kang, SBS, JP
Hon Andrew LEUNG Kwan-yuen, GBS, JP
Hon Cyd HO Sau-lan
Dr Hon Priscilla LEUNG Mei-fun, JP
Hon WONG Sing-chi
Hon IP Kwok-him, GBS, JP
Dr Hon PAN Pey-chyou

Clerk in attendance :

Miss Odelia LEUNG

Clerk to the House Committee

Staff in attendance :

Ms Pauline NG	Secretary General
Mr Jimmy MA, JP	Legal Adviser
Mrs Constance LI	Assistant Secretary General 1
Ms Dora WAI	Acting Assistant Secretary General 3
Mrs Percy MA	Assistant Secretary General 4
Ms Connie FUNG	Senior Assistant Legal Adviser 1
Mr Arthur CHEUNG	Senior Assistant Legal Adviser 2
Mr KAU Kin-wah	Senior Assistant Legal Adviser 3
Mrs Sharon TONG	Principal Council Secretary (2)
Mr Stephen LAM	Principal Council Secretary (Complaints)
Mr Simon WONG	Chief Public Information Officer
Ms Amy YU	Chief Council Secretary (2)6
Ms Wendy KAN	Assistant Legal Adviser 6
Miss Josephine SO	Senior Council Secretary (2)7
Ms Judy TING	Council Secretary (2)6
Ms Anna CHEUNG	Senior Legislative Assistant (2)3
Mr Arthur KAN	Legislative Assistant (2)8

Action

I. Confirmation of the minutes of the 4th meeting held on 11 November 2011

(LC Paper No. CB(2) 314/11-12)

The minutes were confirmed.

II. Matters arising

Report by the Chairman on her meeting with the Chief Secretary for Administration

2. The Chairman said that there was nothing special to report.

III. Further business for the Council meeting of 23 November 2011

(a) Tabling of papers

Report No. 3/11-12 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

(LC Paper No. CB(2) 316/11-12 issued vide LC Paper No. CB(3) 147/11-12 dated 16 November 2011)

Action

3. The Chairman said that the Report covered six items of subsidiary legislation, the period for amendment of which would expire on 23 November 2011. No Member had indicated intention to speak on the subsidiary legislation.

4. Members noted the Report.

(b) Questions

(LC Paper No. CB(3) 143/11-12)

5. The Chairman said that Mr CHEUNG Hok-ming and Ms Audrey EU had replaced their oral questions.

(c) Members' motions

Proposed resolution to be moved by Hon Audrey EU under section 34(4) of the Interpretation and General Clauses Ordinance relating to the:

(i) **Building (Inspection and Repair) Regulation;**

(ii) **Building (Administration) (Amendment) Regulation 2011;**

(iii) **Building (Minor Works) (Amendment) Regulation 2011;
and**

(iv) **Buildings (Amendment) Ordinance 2011
(Commencement) Notice 2011**

(Wording of the proposed resolution issued vide LC Paper No. CB(3) 144/11-12 dated 15 November 2011.)

6. The Chairman said that Ms Audrey EU, Chairman of the relevant Subcommittee, would move a motion at the Council meeting to extend the scrutiny period of the four items of subsidiary legislation to 21 December 2011.

IV. Business for the Council meeting of 30 November 2011

(a) Questions

(LC Paper No. CB(3) 142/11-12)

7. The Chairman said that 20 questions (six oral and 14 written) had been scheduled for the meeting.

(b) **Bills - First Reading and moving of Second Reading**

Mediation Bill

8. The Chairman said that the Administration had given notice to present the above Bill to the Council on 30 November 2011. The House Committee would consider the Bill at its meeting on 2 December 2011.

(c) **Government motion**

9. The Chairman said that no notice had been received yet.

(d) **Members' motions**

(i) **Motion on "Comprehensively reviewing and perfecting the Work Incentive Transport Subsidy Scheme"**

(Wording of the motion issued vide LC Paper No. CB(3) 148/11-12 dated 17 November 2011.)

(ii) **Motion on "Establishing an independent statutory Office of the Health Service Ombudsman"**

(Wording of the motion issued vide LC Paper No. CB(3) 149/11-12 dated 17 November 2011.)

10. The Chairman said that the above motions would be moved by Mr WONG Sing-chi and Mr Andrew CHENG respectively and the wording of the motions had been issued to Members.

11. The Chairman reminded Members that the deadline for giving notice of amendments, if any, to the motions was Wednesday, 23 November 2011.

Report on study of subsidiary legislation

12. The Chairman invited Members to note the list containing two items of subsidiary legislation tabled at the meeting, the scrutiny period of which would expire on 30 November 2011. Members who wished to speak on the subsidiary legislation should indicate their intention by 5:00 pm on Tuesday, 22 November 2011.

V. Report of Bills Committees and subcommittees

Report of the Subcommittee on Securities and Futures (Professional Investor) (Amendment) Rules 2011

13. Mr CHAN Kam-lam, Chairman of the Subcommittee, made a verbal report on the deliberations of the Subcommittee. He said that the Subcommittee supported in principle the Securities and Futures Commission's ("SFC") proposal to amend the evidential requirements under the Securities and Futures (Professional Investor) Rules ("the PI Rules") by prescribing additional means to ascertain whether an investor was a high net worth professional investor with a view to meeting the market needs and providing more flexibility to the trade. The Subcommittee also supported the amendment to section 3(d) of the PI Rules to prescribe additional types of corporations as high net worth professional investors.

14. Mr CHAN Kam-lam elaborated that the Subcommittee noted that the minimum portfolio requirement of not less than \$8 million (or the equivalent in foreign currency) for a high net worth investor being classified as a professional investor under the PI Rules had remained unchanged since 2001. Some members requested the Administration to consider reviewing and raising the minimum portfolio threshold. According to the Administration, the trade in general considered that the minimum portfolio requirement should be maintained at the level of \$8 million. The trade was concerned that an increase in the minimum portfolio threshold would have adverse impact on the private placement market in Hong Kong, undermine the development of the financial market and compromise Hong Kong's position as an international financial centre. In the view of the Administration, the existing minimum portfolio requirement of \$8 million was reasonable and comparable to other jurisdictions.

15. Mr CHAN Kam-lam further reported that in order to enhance the protection of the interests of investors, some members requested the Administration and the SFC to consider specifying in the Amendment Rules or the relevant statutory provisions that intermediaries should comply with the requirements specified under the Code of Conduct for Persons Licensed by or Registered with the SFC when providing service to professional investors and should assess the investor's knowledge, expertise and investment experience. Some members suggested that in the long run, the Administration should introduce a licence regime in respect of different financial products and markets for professional investors by the issue of a licence or certificate to accord an investor with the status of a professional investor.

Action

16. Mr CHAN Kam-lam added that to address members' concerns, the Administration undertook to review the professional investor regime and consult the trade in 2012. The Subcommittee agreed to the Amendment Rules and would not propose any amendments. The Subcommittee would provide a written report to the House Committee later.

17. The Chairman reminded Members that as the deadline for amending the Amendment Rules was 30 November 2011, the deadline for giving notice of amendments, if any, was Wednesday, 23 November 2011.

VI. Position on Bills Committees and subcommittees
(LC Paper No. CB(2) 315/11-12)

18. The Chairman said that there were 16 Bills Committees, eight subcommittees under the House Committee (i.e. three subcommittees on subsidiary legislation, two subcommittees on policy issues and three subcommittees on other Council business) and eight subcommittees under Panels in action. Three Bills Committees and one subcommittee on policy issues were on the waiting list.

19. There being no other business, the meeting ended at 2:37 pm.