



立法會秘書處 法律事務部
LEGAL SERVICE DIVISION
LEGISLATIVE COUNCIL SECRETARIAT

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By Fax (2527 0790)

17 February 2012

Miss Natalie LI
Prin AS for Financial Services and the Treasury (FS)5
Financial Services and the Treasury Bureau
24/F., Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Dear Miss LI,

Re: Banking (Amendment) Bill 2011 (the Bill)

A Member has raised concern regarding the proposed use of rules to be made by the Monetary Authority to prescribe capital and liquidity requirements for authorized institutions, which are to be subject to negative vetting by the Legislative Council. At present, these requirements are prescribed mainly by way of primary legislation.

While it is noted that the use of rules may provide flexibility, since these regulatory requirements should not be expected to be changed on a frequent basis, please provide more detailed justifications for the proposal, with reference to similar requirements in other legislation.

We understand that notice has been given to resume the Second Reading debate on the Bill at the Council meeting of 29 February 2012. Therefore, your earliest reply will be highly appreciated.

Yours sincerely,

(Wendy KAN)
Assistant Legal Adviser

cc. HKMA (Attn: Mr Richard CHU, Head of Banking Policy) (Fax No.: 2878 1899))
Clerk to House Committee