

For discussion  
on 15 December 2011

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**Legislative Council  
Panel on Financial Affairs**

**Creation of a Supernumerary Directorate Post  
in the Financial Services Branch of the Financial Services and the Treasury  
Bureau to Coordinate the Implementation of Central Government's New  
Measures to Support the Economic and Social Development in Hong Kong**

**Purpose**

This paper seeks Members' views on the proposal to create a supernumerary Administrative Officer Staff Grade C ("AOSGC") (D2) post in the Financial Services Branch ("FSB") of the Financial Services and the Treasury Bureau ("FSTB") for two years with immediate effect upon approval by the Finance Committee to coordinate (a) the implementation of Central People's Government (CPG)'s new measures to support the economic and social development in Hong Kong announced in August 2011; (b) the financial co-operation with the Mainland at the CPG and regional levels as a strategic goal under the National 12<sup>th</sup> Five-Year Plan; and (c) the development of offshore Renminbi (RMB) business.

**Background and Latest Developments**

2. Over the years, Hong Kong has demonstrated our value as Mainland's testing ground for financial reforms. As the Central Government proceeds with its wide-ranging financial liberalization initiatives, Hong Kong has positioned itself as the laboratory for the use of RMB as a settlement, investment and funding currency regionally and internationally. Hong Kong now hosts the

largest offshore pool of RMB liquidity and is a place outside the Mainland where international investors can invest in RMB bonds and other RMB-denominated financial products. The offshore RMB bonds and asset markets are set to become the fast-growing segment in our financial markets.

3. The National 12<sup>th</sup> Five-Year Plan promulgated in March 2011 emphasizes the Central Government's support for consolidating and enhancing Hong Kong's position as an international financial centre, in particular Hong Kong's development into an offshore RMB business centre. Financial cooperation has become increasingly close between Hong Kong and the Mainland at both the CPG and regional levels in terms of both breadth and depth, especially after the promulgation of the National 12<sup>th</sup> Five-Year Plan and CPG's new measures earlier this year. At the same time, there have been rapid developments in the offshore RMB business of Hong Kong, including bond issuance, listing of shares, trade settlement and direct investment.

4. At the Forum on the National 12<sup>th</sup> Five-Year Plan and Mainland-Hong Kong Economic, Trade and Financial Co-operation held on 17 August 2011, Mr Li Keqiang, Vice-Premier of the State Council, announced CPG's new measures to support the economic and social development in Hong Kong. Such measures are set out at **Annex A**.

### **Justifications for Creation of a Supernumerary Post of AOSGC**

5. At present, the Mainland Affairs (MA) Division of FSB is responsible for advancing financial cooperation between Hong Kong and the Mainland. Among CPG's new measures, around 13 are related to financial development and fall directly under FSB's policy purview. Eight of the measures are beneficial to the development of offshore RMB business. The MA Division, in collaboration with regulators including the Hong Kong Monetary Authority, the Securities and Futures Commission, and the Office of the Commissioner of Insurance, has been following up with the relevant authorities of the Mainland to bring the new measures into effect as early as possible.

6. The existing set up of the MA Division mainly includes an AOSGC internally redeployed within the government since June 2011 and a time-limited Administrative Officer post up to 31 March 2013 to handle the increasing

workload arising from the advancement in financial cooperation with the Mainland at the CPG and regional levels principally. The workload arising from the three areas mentioned in paragraph 1 of the paper reinforced the need for additional manpower. The existing arrangement would not be able to deal with the manpower shortage problem. It is more appropriate to create a supernumerary AOSGC post to handle the work.

7. In taking forward our strategic goal to develop Hong Kong as an offshore RMB business centre, we have been absorbing additional workload with existing resources provision. This has become no longer tenable, especially in view of other priority policy tasks and on-going work that FSB is charged to deliver.

8. With effect from late October 2011, FSB has been tasked to provide support to the Financial Secretary (FS) in the implementation of CPG's new support measures. FS plans to convene meetings with concerned bureaux/departments regarding the implementation of CPG's new support measures to consider progress and follow-up actions.

9. The MA Division will focus on the following duties in the coming 24 months (1 April 2012 to 31 March 2014) -

Financial cooperation at the CPG level in pursuing :

- (a) CPG's new support measures;
- (b) policy initiatives in reinforcing and enhancing Hong Kong's status as an international financial centre, asset management centre as well as offshore RMB business centre as detailed in the 12<sup>th</sup> Five-Year Plan; and
- (c) CEPA liberalization measures.

Financial cooperation at the regional level in pursuing initiatives :

- (d) to enhance financial co-operation with the Mainland at provincial and city levels including Guangdong, Shenzhen (including Qianhai), Shanghai, Beijing, etc.;

- (e) to enhance financial co-operation with Taiwan; and

#### RMB business

- (f) reinforcing and enhancing our offshore RMB business platform through promoting the use and circulation of RMB funds, as backed up by CPG's support measures.

10. There will be more frequent engagement with the CPG and market participants through Mainland duty visits and hosting of meetings/organization of seminars in Hong Kong, to shape and advance the above policy initiatives. For example, the Secretary for Financial Services and the Treasury led a high-level delegation comprising members from the insurance and fund management industries to visit respective agencies in Beijing in November and FSTB will organize a seminar on CPG's new support measures on 14 December in Hong Kong.

11. Fulfillment of the objective set for Hong Kong in the National 12<sup>th</sup> Five-Year Plan is key to the future development of Hong Kong. Smooth implementation of measures would be paramount to achieving the declared goal. In light of the increasing workload and new initiatives, there is an urgent need to strengthen the manpower provision for the MA Division such that strategic planning in pursuing the various new initiatives as well as co-ordination of their implementation can be enhanced.

12. Given that the MA Division has already been stretched to its limit with the aforesaid duties, there is a need to create a supernumerary AOSGC post, designated as Principal Assistant Secretary for Financial Services and the Treasury (Financial Services) (Mainland Affairs) (PAS(FS)MA), to undertake the new responsibilities arising from co-ordination of the implementation of CPG's new support measures, including -

- (a) co-ordinating work plans and updates from relevant bureaux/departments on a regular basis;
- (b) preparing policy papers and think pieces in consultation with the regulators namely the Securities and Futures Commission, Hong Kong

Monetary Authority, Insurance Authority, as well as the industry e.g. the Federation of Hong Kong Insurers, Hong Kong Association of Banks, Hong Kong Investment Funds Association, Hong Kong Institute of Certified Public Accountants and various securities market trade bodies;

- (c) deliberating actions for advancing progress of the support measures with relevant Mainland authorities including People's Bank of China, State Administration of Foreign Exchange, China Insurance Regulatory Commission, China Banking Regulatory Commission, China Securities Regulatory Commission, National Development and Reform Commission, etc.;
- (d) arranging high level visits to relevant Mainland authorities on a regular basis to enhance communication and expedite progress of the measures;
- (e) researching into latest Mainland developments to identify new initiatives, e.g. participation in Mainland interbank bond market;
- (f) promoting awareness of these measures through conducting seminars locally and overseas roadshows, with a view to enlarging the impact of these measures and securing their successful implementation; and
- (g) serving / supporting the various fora covering Shanghai/Hong Kong, Guangdong/Hong Kong, Shenzhen (Qianhai)/Hong Kong relations as well as CEPA deliberations to advance measures to facilitate cooperation and lower market entry for financial institutions and intermediaries.

13. The proposed job description of the post of PAS(FS)MA is at **Annex B**. The proposed post of PAS(FA)MA will be supported by a small team of non-directorate staff providing administrative, secretarial and clerical support. An organization chart of FSB showing the proposed creation of the post of PAS(FS)MA is at **Annex C**. As implementation of the initiatives is expected to straddle across the first three years of the National 12<sup>th</sup> Five-Year Plan, i.e. 2011, 2012 and 2013, the time-limited post would be required till 31 March 2014.

## **Alternatives Considered**

14. At present, there are eight PAS(FS)s in FSB overseeing different policy portfolios, including securities and futures, banking, insurance, Mandatory Provident Fund (“MPF”), anti-money laundering, accountancy, insolvency, and other companies-related matters. The existing job descriptions are set out in **Annex D**.

15. We have critically examined whether the other PASs in the FSB can absorb the additional work of PAS(FS)MA. However, other PAS(FS)s are fully occupied with the workload arising from various priority tasks including the proposed establishment of an Investor Education Council and a Financial Dispute Resolution Centre; the proposed establishment of an independent Insurance Authority and a Policyholders’ Protection Fund; review of the MPF system and the proposed legislation to enhance the regulatory regime for MPF intermediaries, as well as the implementation of the Employee Choice Arrangement for increasing employees’ control of their MPF investments; the development of asset management industry and bond market; the proposed legislation on disclosure of price sensitive information by listed corporations; the proposed legislation on the regulation of the over-the-counter derivatives market to implement the G20’s commitment; the legislative exercise to implement a scripless securities market in Hong Kong; the implementation of an upgraded anti-money laundering regime; the Companies Ordinance rewrite; reform of the corporate insolvency regime; etc. Therefore it is operationally not feasible for any of them to take up the new task without seriously affecting the performance of other priority tasks.

## **Non-directorate Support**

16. The post of PAS(FS)MA will be supported by a team of four non-directorate officers, comprising one Senior Administrative Officer, one Executive Officer I, one Personal Secretary I and one Assistant Clerical Officer(ACO). All these posts except the ACO post will be time-limited and will last for as long as that of PAS(FS)MA.

## **Financial Implications**

17. The proposed creation of the post of PAS(FS)MA will bring about an additional notional annual salary cost at mid-point of \$1,611,600. The full annual average staff cost of the proposal, including salaries and staff on-cost is \$2,285,200. We will include the necessary provision in the draft Estimates of 2012-13 and subsequent years to meet the cost of this proposal.

## **Advice Sought**

18. We plan to submit the staffing proposal to the Legislative Council Establishment Subcommittee at its meeting on 18 January 2012 for recommendation to the Finance Committee for approval on 13 April 2012. Members are invited to note and comment on this proposal.

**Financial Services Branch  
Financial Services and the Treasury Bureau  
8 December 2011**

*(Unofficial English translation for reference only)*

**Measures supporting the economic and social development of Hong Kong promulgated by the Central Government during the “Forum on 12th Five-Year Plan and Mainland-Hong Kong Economic, Trade and Financial Co-operation” on 17 August 2011 –**

**1. Economic and Trade**

- (1) Further increase the opening of Mainland to Hong Kong in trade in services. Striving to basically achieve full liberalisation of trade in services for Hong Kong via CEPA by the end of the 12<sup>th</sup> Five-Year Plan period; simplifying the approving procedures and implementing the various preferential arrangements in CEPA and its relevant supplement agreements; expediting discussion on the signing of CEPA Supplement VIII for signing by the end of 2011, with a view to further intensifying the liberalisation of the trade in services, further beefing up the substance of investment facilitation measures and pushing forward the implementation of the early and pilot measures in Guangdong and other provinces (municipalities).
- (2) Continuing to support Hong Kong in actively participating in multilateral and regional economic co-operation. The recent focus is to support Hong Kong in participating in the regional co-operation in East Asia, and in this regard, exploring the possibility for Hong Kong to join the free trade agreements already signed by the Mainland. Consideration will also be given to support Hong Kong in directly negotiating with trading partners which have already signed free trade agreements with the Mainland. In the future, when negotiating FTA agreements with foreign countries, more consideration will be given to Hong Kong’s interests and concerns. Efforts will also be made to step up co-ordination and interaction between the Mainland and Hong Kong in the World Trade Organisation and the Asia Pacific Economic Co-operation, with a view to enhancing Hong Kong’s involvement in economic co-operation at both multilateral and regional levels.
- (3) Helping enterprises in both the Mainland and Hong Kong to “go global” together. Encouraging enterprises of the two sides to leverage Hong Kong’s competitive edges in services in the areas of finance, law, accounting and investment consultation etc. and jointly



explore the international investment and infrastructure development markets by means of joint investment, joint bidding and joint contracting of projects and other schemes.

- (4) Supporting the stable development, transformation and upgrading of Hong Kong-funded processing industries in the Pearl River Delta Region. Continuing to maintain a consistent policy on processing trade; promoting the establishment of exemplary zones for industrial transformation and upgrading in the Pearl River Delta Region, and promoting innovative management model; establishing a sound mechanism on facilitating domestic sales by processing industries; strengthening employment services and guidance; providing financial and insurance support etc; encouraging Hong Kong-funded enterprises to upgrade and restructure.
- (5) Supporting the deepening of co-operation between the Mass Transit Railway Corporation and its counterparts in Beijing, Shanghai and Shenzhen in railway construction and operation, and its expansion to other cities including Hangzhou.

## **2. Finance**

- (6) Encouraging the use of RMB by Hong Kong enterprises in making direct investment in the Mainland, launching of Pilot Scheme of RMB Settlement for Foreign Direct Investment in phases and revising the “Measures for the Administration of Overseas Investment Projects” as soon as possible;
- (7) Launching of an Exchange-Traded Fund (ETF) constituted by Hong Kong listed stocks in the Mainland;
- (8) Providing continuous support to encourage the listing of Mainland enterprises in Hong Kong;
- (9) Allowing Hong Kong-funded corporate banks in the Mainland to engage in mutual fund business;
- (10) Vigorously implementing the various facilitating measures under CEPA; continued enhancement of opening to Hong Kong-funded banks in terms of both depth and width; supporting Hong Kong-funded banks in establishing a reasonable and balanced presence in Guangdong in the form of “cross-location” sub-branches;

- (11) Encouraging Hong Kong's insurance companies to access the Mainland's insurance market by setting up office or taking up stakes with a view to enhancing their participation in the development of the Mainland insurance market and enabling them to share the related opportunities; enhancing Mainland-Hong Kong in the development of insurance products, business operation and management etc;
- (12) Extending the Pilot Scheme for Cross-border Trade Settlement in RMB to cover the whole country, with a view to facilitating enterprises to use RMB to conduct trading and direct investment activities in Hong Kong, and enhancing Hong Kong status as the centre for RMB trade settlement;
- (13) Launching pilot projects for foreign-funded banks to replenish capital with RMB, with a view to facilitating Hong Kong enterprises and banks to invest in the Mainland;
- (14) Allowing more umbrella Mainland financial institutions to issue RMB-denominated bonds in Hong Kong. Allowing Mainland enterprises to issue RMB-denominated bonds in Hong Kong; gradually expanding the scale of issuance of RMB-denominated bonds in Hong Kong by Mainland institutions;
- (15) Making the issuance of RMB sovereign bonds in Hong Kong a long-term and institutional arrangement and gradually expanding the scale of issuance;
- (16) Carrying on the Pilot Scheme for Eligible Institutions (including non-Mainland central banks, RMB clearing banks in Hong Kong and Macao, and non-Mainland participating banks) to invest in Mainland's interbank bond market;
- (17) Promoting innovation in the diversification of offshore RMB financial products in Hong Kong; and
- (18) Allowing investments in the Mainland equity market by means of the RQFII scheme.

### **3. Livelihood and Social Issues**

- (19) Adopting measures to safeguard supplies to Hong Kong. Coordinating the efforts of all concerned parties and taking necessary measures to ensure the stable supply of quality agricultural products,

including staple food, meat, fruits, vegetables, as well as electricity and natural sand for the Hong Kong market.

- (20) Accelerating the construction work of the Hong Kong branch line of the Second Pipeline of the West-East Gas Transmission Project, with a view to commencing the supply of natural gas in the second half of 2012, and supplying a total of 3 billion cubic metres of natural gas to Hong Kong by the end of the 12<sup>th</sup> Five-Year period.
- (21) Allowing some Mainland universities to waive the entrance examinations for Hong Kong students. From 2012 onwards, some Mainland universities will, on a pilot basis, waive the requirements for results obtained in the “Joint College Entrance Examination for Hong Kong, Macao and Taiwan Students”, and will consider applications from Hong Kong students on the basis of their results obtained in the “Hong Kong Diploma of Secondary Education Examination”.
- (22) Enhancing co-operation between the Mainland and Hong Kong on innovation and technology by integrating the initiative with the related implementation plans on science and technology under the National 12<sup>th</sup> Five-Year Plan, with a view to speeding up the merging of Hong Kong’s resources on technology development with the overall national innovation regime.
- (23) Strengthening support in the development of innovation and technology industries in Hong Kong, further extending new modes of co-operation between the two places, such as supporting Hong Kong in establishing sub-branches of the Chinese National Engineering Research Centre, and bases for high-tech industries in suitable forms in Hong Kong, etc.
- (24) Further relaxation to allowing Hong Kong service providers to set up wholly-funded hospitals in all municipalities directly under the Central Government and provincial capital cities.

#### **4. Tourism**

- (25) Jointly promoting the quality of tourism services in the Mainland and Hong Kong; setting up a sound tourism market regulatory mechanism in both places; regulating the tourism enterprises to ensure honest and trustworthy business operation; protecting the legal rights of tourists; jointly promoting healthy and orderly development of the inbound tourism market from the Mainland to Hong Kong.
- (26) Taking forward joint overseas promotion on tourism; jointly developing multi-destination itineraries covering both Hong Kong and the Mainland; effectively utilising overseas tourism exhibition activities to conduct joint promotion; further enhancing closer co-operation among overseas tourism offices of the two places.
- (27) Encouraging expanded scope of co-operation between the tourism enterprises of the two sides; encouraging and inducing capital flow and mutual investment among tourism enterprises of both sides; focused support for Hong Kong to set up travel agents in the Mainland; enhancing technology development on tourism and co-operation on development of tourism spots; discussing the way forward on the industrialisation of tourism business.
- (28) Taking measures such as joint personnel training and developing new operational modes in the Mainland with a view to stepping up the support for development of cruise vessels home porting in Hong Kong.

#### **5. Hong Kong/Guangdong Co-operation**

- (29) Overseeing the implementation of the various initiatives under the Framework Agreement; vigorously supporting the establishment of the Qianhai Shenzhen-Hong Kong Modern Service Industry Co-operation Zone; and actively developing innovative finance, modern logistics, information services, science and technology services and other professional services.
- (30) Advising Guangdong, Hong Kong and Macao on the drafting and implementation of Guangdong-Hong Kong-Macao Regional Tourism Plan with a view to mapping out a long term development strategy on regional tourism co-operation; strengthening the development of

barrier-free regional tourism; and vigorously developing world-class tourism and leisure destinations.

- (31) Incorporating the connection of the Mainland, Hong Kong and Macao into the National 12<sup>th</sup> Five-Year Plan on Comprehensive Traffic and Transportation System; completing the construction of the Mainland section of the Guangzhou-Shenzhen-Hong Kong Express Rail Link by the end of 2011, and advancing step by step the connection of the latter with the Beijing-Guangzhou Passenger Line, Hanzhou-Fuzhou-Shenzhen Passenger Line and other eastern coastal express rail links. Pushing forward the construction of the Hong Kong-Zhuhai-Macao Bridge project with a view to realising the expressway connection among Hong Kong, Zhuhai and Macao. Priority will be given to joint venture co-operation with Hong Kong enterprises in taking forward the Yantian and Dachanwan Container Terminal development projects.
- (32) Promoting co-operation between the aviation industries of Hong Kong and the Mainland, including the Pearl River Delta region; improving the air traffic mechanism between Hong Kong and the Mainland; enhancing the regional air transport capacity.
- (33) Actively studying the construction of the Hong Kong-Shenzhen Express Rail Line linking the two airports of Hong Kong and Shenzhen.
- (34) Allowing Hong Kong professionals who have obtained professional qualifications in the Mainland in the area of construction through mutual recognition of qualifications to register and practise in Guangdong. They will enjoy the same treatment as Mainland professionals with the same professional qualifications.
- (35) Exploring ways to enhance the mode of joint venture between law firms of the Mainland and Hong Kong under the Guangdong-Hong Kong and Qianhai Shenzhen-Hong Kong co-operation framework, with a view to deepening co-operation between the two sides on legal services.

## **6. Others**

- (36) Expanding the scope of pilot product testing and certification undertaken by those Hong Kong testing organisations which possess the relevant capability to perform product testing and certification

under the China Compulsory Certification (CCC) system and accredited by the accreditation body of the HKSAR Government (i.e. the Hong Kong Accreditation Service), to perform testing and certification for all products processed in Hong Kong which require CCC testing and certification.

- (37) Supporting Hong Kong to implement action plans to tackle climate change and take part in the national endeavour on the issue; supporting Hong Kong enterprises to launch clean development mechanism projects in the Mainland.

Note: In addition to the above supporting measures, the Central Government has also announced or confirmed the following three supporting measures in mid-August 2011 –

- (a) Setting up of a joint-venture company being conceived by the Hong Kong Stock Exchange and its counterparts in Shanghai and Shenzhen with a view to developing index-based products;
- (b) Development of Hong Kong into an international arbitration centre, for the Asia Pacific region; allowing Hong Kong arbitration organisations to provide direct services in Qianhai of Shenzhen; and
- (c) Setting up a dedicated fund to sponsor 1 000 students and teaching staff of the University of Hong Kong to study in the Mainland each year from 2012 onwards.

**Job Description**  
**Principal Assistant Secretary for Financial Services and the Treasury**  
**(Financial Services) (Mainland Affairs)**

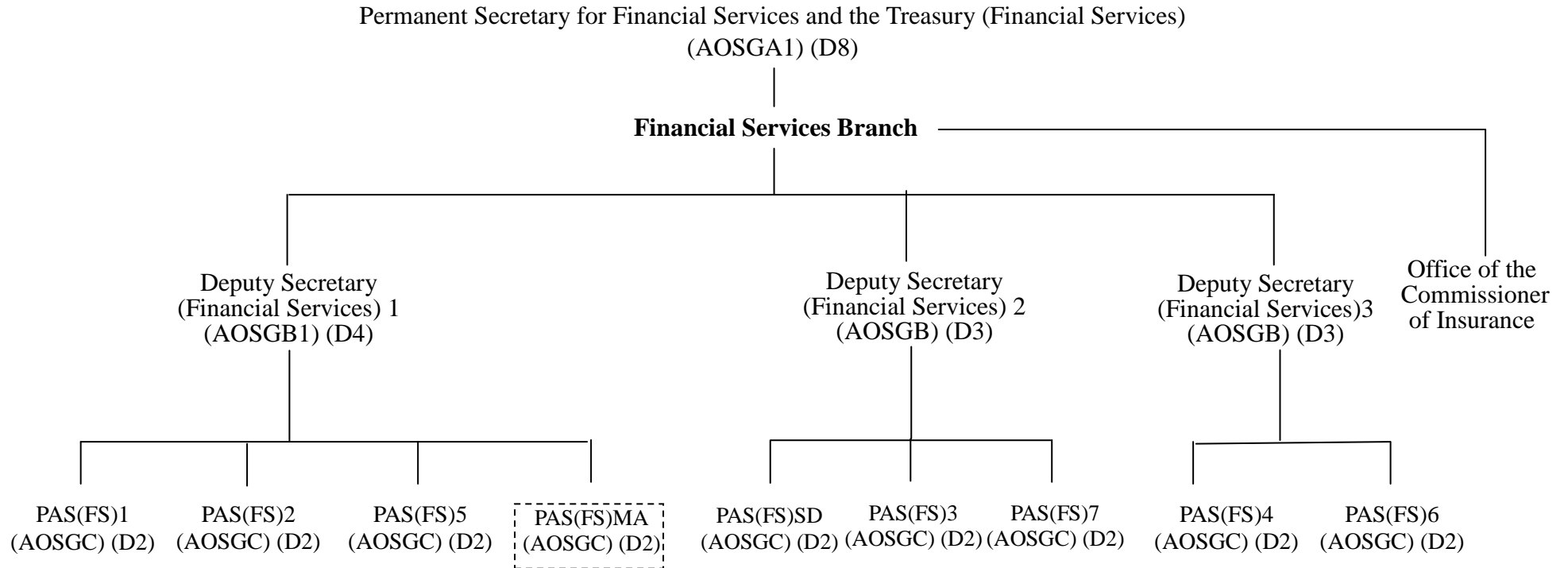
**Rank** : Administrative Officer Staff Grade C (D2)

**Responsible to:** oversee development and formulate policy input in relation to financial cooperation with the Mainland

**Main Duties and Responsibilities -**

1. To formulate policy input and co-ordinate policy initiatives on matters relating to Central People's Government (CPG), including:
  - (a) new support measures announced by CPG in August 2011;
  - (b) policy initiatives in reinforcing and enhancing Hong Kong's status as an international financial centre, asset management centre as well as offshore RMB business centre as detailed in the 12th Five-Year Plan; and
  - (c) CEPA deliberations as well as implementation of liberalization measures.
2. To oversee and co-ordinate matters relating to financial cooperation with Mainland provinces (including Taiwan) and cities:
  - (a) actively pursuing initiatives to enhance financial co-operation with the Mainland at provincial and city levels including Guangdong, Shenzhen (including Qianhai), Shanghai and Beijing, etc.;
  - (b) handling Hong Kong-Taiwan financial co-operation related issues; and
3. To reinforce and enhance our offshore RMB business platform through promoting the use and circulation of RMB funds as backed up by CPG's support measures.

**Organisation Chart of the Financial Services and the Treasury Bureau (Financial Services Branch)**



**Legend:**

- Supernumerary directorate post to be created
- PAS(FS) Principal Assistant Secretary for Financial Services and the Treasury (Financial Services)
- AOSGA1 Administrative Officer Staff Grade A1
- AOSGB1 Administrative Officer Staff Grade B1
- AOSGB Administrative Officer Staff Grade B
- AOSGC Administrative Officer Staff Grade C



**Duties and Responsibilities of  
the Existing Principal Assistant Secretaries  
(Financial Services) (PAS(FS)s)**

PAS(FS)1 is responsible for policy and matters relating to investor protection of the securities and futures markets. In addition, he/she provides policy input on supervision of intermediaries and of market operation, and deals with the housekeeping matters of the Securities and Futures Commission (SFC). He/She also coordinates the operation of the Securities and Futures Appeals Tribunal and the Market Misconduct Tribunal. He/she provides secretariat support for the Process Review Panel for SFC, and coordinates among the financial regulators on risk management matters and is now working on the proposed establishment of an Investor Education Council and a Financial Dispute Resolution Centre.

2. PAS(FS)2 is responsible for listing related matters and liaison with the Hong Kong Exchanges and Clearing Limited. He/She is working on the proposed legislation on disclosure of price sensitive information by listed corporations, regulation of over-the-counter derivatives market to implement the G20's commitment, and a scripless securities market in Hong Kong. He/She also handles matters relating to the development of the asset management industry and commodities market in Hong Kong.

3. PAS(FS)3 oversees policy and legislative matters over the Mandatory Provident Fund (MPF) Schemes and the Occupational Retirement Schemes. His/her portfolio covers all MPF-related matters, including the housekeeping matters of Mandatory Provident Fund Schemes Authority. Major ongoing projects include the enhancement of the regulatory regime for MPF intermediaries for early implementation of the Employee Choice Arrangement and the planned implementation of the portability proposal to increase employees' control of their MPF investment.

4. PAS(FS)4 is rolling out a new exercise to modernise Hong Kong's corporate insolvency law and taking forward the proposal to introduce a new corporate rescue procedure and is partially deployed to

one of the divisions in the Companies Bill Team to assist in taking forward the rewrite of the Companies Ordinance. He/she also deals with the regulation of the accountancy profession. Apart from these duties, he/she also assists in handling insolvency policy and administration, accounting sector policy and legislation and corporate governance of unlisted companies. He/She deals with housekeeping matters of the Official Receiver's Office and the Financial Reporting Council (FRC), and provides the secretariat support for the Process Review Panel for FRC.

5. PAS(FS)5 is responsible for the review and maintenance of the Banking Ordinance including implementation of Basel 2.5 and Basel 3, and liaison with the Hong Kong Monetary Authority on banking and other related issues. He/She oversees policy matters and legislation concerning the Deposit Protection Scheme as well as those relating to bond market development and Islamic finance. In addition, he/she coordinates input from financial services perspective in connection with Hong Kong's participation in relevant international and regional fora, including G20, Financial Stability Board, International Monetary Fund, Asia-Pacific Economic Cooperation, Asian Development Bank and the Organization for Economic Co-operation and Development.

6. PAS(FS)6 deals with policies and legislation relating to companies and trust companies. He/She coordinates the work relating to rewrite of the Companies Ordinance as well as review of the Trustee Ordinance. He/She also deals with the housekeeping matters of the Companies Registry.

7. PAS(FS)7 coordinates the implementation of the anti-money laundering (AML)/counter financing of terrorism (CFT) policies in Hong Kong in line with the relevant international standards. He/She also deals with the legislative exercise to enhance the AML/CFT regulatory regime in respect of the financial sectors and liaises with the relevant authorities on the preparation for the implementation of the newly enacted legislation on 1 April 2012. In addition, he/she acts as the liaison contact for Hong Kong's participation in and inputs to the discussions of the international forums on AML/CFT matters.

8. PAS(FS)SD oversees policy and legislative matters over the insurance sector. His/her portfolio covers all insurance-related policies, including the housekeeping matters of the Office of the Commissioner of Insurance. He/she oversees the proposed establishment of an independent

Insurance Authority (IIA) and a Policyholders' Protection Fund (PPF), engages the industry and stakeholders in developing detailed proposals, and formulates detailed legislative proposals for the establishment of the IIA and PPF.