

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1669/12-13  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/2/12

**Bills Committee on Inland Revenue and Stamp Duty Legislation  
(Alternative Bond Schemes) (Amendment) Bill 2012**

**Second meeting on  
Monday, 18 March 2013, at 9:00 am  
in Conference Room 1 of the Legislative Council Complex**

**Members present** : Hon CHAN Kam-lam, SBS, JP (Chairman)  
Hon Abraham SHEK Lai-him, SBS, JP  
Hon Starry LEE Wai-king, JP  
Hon Kenneth LEUNG  
Hon Christopher CHEUNG Wah-fung, JP  
Hon SIN Chung-kai, SBS, JP

**Member absent** : Hon Ronny TONG Ka-wah, SC

**Public officers  
attending** : Miss Salina YAN, JP  
Deputy Secretary for Financial Services and  
the Treasury (Financial Services) 1

Mr Jackie LIU  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services) 5

Mr Daryl HO  
Head, Market Development Division  
Hong Kong Monetary Authority

Ms Carrie CHAN  
Senior Manager (Market Development)  
Hong Kong Monetary Authority

Mr WONG Kuen-fai, JP  
Deputy Commissioner (Operations)  
Inland Revenue Department

Mr Allen NG  
Senior Assessor (Research)  
Inland Revenue Department

Ms Betty CHEUNG  
Senior Assistant Law Draftsman  
Department of Justice

**Attendance by  
invitation**

: Nasirs

Mr Amirali Bakirali NASIR, JP

The Law Society of Hong Kong

Mr Amirali Bakirali NASIR, JP

Labuan IBFC Incorporated SDN BHD

Mr Eddy KO

Citibank N.A., Hong Kong Branch

Mr Usman AHMED  
Managing Director  
Head Asia Pacific, Islamic Banking

Mr Oliver GOH  
Client Executive Head

Treasury Markets Association

Mr Pius CHONG  
Convenor, Working Group on Development of Islamic  
Finance in Hong Kong

BOCHK Asset Management Limited

Mr AU King-lun, MH  
Chief Executive Officer

Kowloon Mosque

Mr Mufti Muhammad ARSHAD  
Chief Imam Hong Kong

Nova Training and Education Institute Limited

Miss Evangeline HO  
Executive Director and General Manager

**Clerk in attendance** : Ms Connie SZETO  
Chief Council Secretary (1)4

**Staff in attendance** : Mr KAU Kin-wah  
Senior Assistant Legal Adviser 3

Mr Hugo CHIU  
Council Secretary (1)4

Ms Sharon CHAN  
Legislative Assistant (1)4

**I Meeting with deputations and the Administration**

Meeting with deputations

(LC Paper No. CB(1)693/12-13(01) — Submission from Nasirs

LC Paper No. CB(1)704/12-13(01) — Submission from The Law  
Society of Hong Kong

LC Paper No. CB(1)693/12-13(02) — Submission from Treasury  
Markets Association

LC Paper No. CB(1)693/12-13(03) — Submission from BOCHK Asset  
Management Limited

LC Paper No. CB(1)693/12-13(09) — Submission from Nova Training and Education Institute Limited)

*Submissions/letters from organizations not attending the meeting*

(LC Paper No. CB(1)693/12-13(04) — Submission from Hong Kong Bar Association

LC Paper No. CB(1)693/12-13(05) — Submission from The Hong Kong Association of Banks

LC Paper No. CB(1)693/12-13(06) — Submission from Hong Kong Investment Funds Association

LC Paper No. CB(1)693/12-13(07) — Submission from Standard Chartered Bank

LC Paper No. CB(1)693/12-13(08) — Submission from The Taxation Institute of Hong Kong

LC Paper No. CB(1)693/12-13(10) — Submission from PricewaterhouseCoopers Limited

LC Paper No. CB(1)693/12-13(11) — Submission from The DTC Association

LC Paper No. CB(1)704/12-13(02) — Submission from Ernst & Young Tax Services Limited)

Follow-up to issues arising from the meeting on 29 January 2013

(LC Paper No. CB(1)693/12-13(12) — List of follow-up actions arising from the discussion at the meeting on 29 January 2013

LC Paper No. CB(1)693/12-13(13) — Administration's response to the issues arising from the meeting held on 29 January 2013)

Other relevant papers

- (LC Paper No. CB(3)264/12-13 — The Bill
- LC Paper No. CB(1)480/12-13(01) — Marked-up copy of the Bill prepared by the Legal Service Division (Restricted to Members)
- File Ref: B9/33/2C — Legislative Council Brief
- LC Paper No. LS16/12-13 — Legal Service Division Report
- LC Paper No. CB(1)480/12-13(02) — Background brief on the Inland Revenue and Stamp Duty Legislation (Alternative Bond Schemes) (Amendment) Bill 2012 prepared by the Legislative Council Secretariat)

The Chairman welcomed representatives of the Administration and deputations to the meeting. He reminded the deputations that their written submissions provided to the Bills Committee and views presented at the meeting would not be covered by the protection and immunity provided under the Legislative Council (Powers and Privileges) Ordinance (Cap. 382).

Discussion

2. The deputations presented their views on the Bill and the Bills Committee deliberated (Index of proceedings attached at **Appendix**).

**II Any other business**

Dates of next three meetings

3. The Chairman remarked that subject to the availability of members, the next three meetings would be tentatively scheduled for 5 April 2013 (from 2:30 pm to 4:30 pm), 15 April 2013 (from 4:30 pm to 6:30 pm) and 30 April 2013 (from 10:45 am to 12:45 pm). The Secretariat would confirm availability of members for the above meetings in due course.
4. There being no other business, the meeting ended at 10:44 am.

**Proceedings of the  
Bills Committee on Inland Revenue and Stamp Duty Legislation  
(Alternative Bond Schemes) (Amendment) Bill 2012  
Second meeting on Monday, 18 March 2013, at 9:00 am  
in Conference Room 1 of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
000508 – 000856	Chairman	Introductory remarks	
<b>Presentation of views by deputations and the Administration's responses</b>			
000857 – 001119	Mr NASIR Chairman	<p>Views of Mr NASIR, the representative of Nasirs and the Law Society of Hong Kong ("LSHK") as follows: (LC Paper No. CB(1)693/12-13(01) and CB(1)704/12-13(01))</p> <p>(a) Both Nasirs and LSHK supported the Bill and the religious-neutral approach adopted in drafting the Bill.</p> <p>(b) Notwithstanding that the Bill had adopted a religious-neutral approach, as Islamic bonds ("sukuk") were structured based on Islamic laws ("Shariah"), it was likely that the originator would refer to terms and principles of Shariah in developing the marketing documents of the products. It would be necessary for the Inland Revenue Department ("IRD") to draw up new Departmental Interpretation and Practice Notes ("DIPNs") and Stamp Office Interpretation and Practice Notes ("SOIPNs") explaining the details to facilitate the administration and understanding of the taxation of the alternative bond schemes ("ABSs").</p> <p>(c) The Administration might consider whether the electronic form of record-keeping could also be accepted.</p>	
001120 – 001139	Chairman	The Chairman remarked that the representative of Labuan IBFC Incorporated SDN BHD ("Labuan") had indicated that he would not present his views for the time being.	
001140 – 001453	Citibank N.A., Hong Kong Branch ("Citibank")	The representative of Citibank expressed support for the Bill and welcomed the flexible arrangements set out in the Bill. He considered	

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		that passage of the Bill would be conducive to the development of Islamic finance in Hong Kong and benefit the local financial services industry by offering more business opportunities.	
001454 – 001748	Treasury Markets Association ("TMA")	<p>Views by the representative of the Treasury Markets Association ("TMA") as follows: (LC Paper No. CB(1)693/12-13(02))</p> <p>(a) TMA supported the Bill and its early passage by the Legislative Council ("LegCo") to provide a level playing field between sukuk and conventional bonds, enable market players to use Hong Kong as a financial platform to issue sukuk, and further reinforce Hong Kong's position as a major international financial centre.</p> <p>(b) TMA supported adopting a prescriptive and religious-neutral approach in drafting the Bill.</p> <p>(c) TMA welcomed the extension in the coverage of the Bill to include Wakalah structure (i.e. agency arrangement).</p>	
001749 – 002028	BOCHK Asset Management Limited ("BOCHK")	<p>Views by the representative of the BOCHK Asset Management Limited ("BOCHK") as follows: (LC Paper No. CB(1)693/12-13(03))</p> <p>(a) BOCHK supported the Bill as it would facilitate the development of Islamic finance in Hong Kong and benefit the local financial services industry.</p> <p>(b) Given the continuous substantial growth in oil trade between China and the Middle East, the portion of trade flows settled in Renminbi ("RMB") was expected to increase significantly. With more offshore RMB accumulated in the Middle East, there would be increasing demand for Shariah-compliant offshore RMB investment products. Hong Kong was well placed to become a global Islamic RMB financial centre.</p>	

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002029 – 002524	Kowloon Mosque ("KM")	The representative of KM supported the Bill and considered that its passage would help the development of Islamic finance in Hong Kong and benefit both Muslim and non-Muslim investors. He also explained the difference between conventional bonds and sukuk and suggested that Islamic mortgage products should also be covered in future.	
002525 – 002604	Nova Training and Education Institute Limited ("NTEIL")	<p>Views by the representative of Nova Training and Education Institute Limited ("NTEIL") as follows: (LC Paper No. CB(1)693/12-13(09))</p> <p>(a) NTEIL supported the Bill and adoption of a religious-neutral approach in drafting, and considered that the Administration should promote the religious-neutral concept to all investors.</p> <p>(b) To facilitate the development of Islamic finance in Hong Kong, it was necessary for the Administration to map out a suitable strategy, including introducing a comprehensive range of Islamic finance products, e.g. Takaful (i.e. Islamic insurance) to provide more investment instruments for investors, drawing up plans for training of Islamic finance professionals and necessary market practitioners, as well as developing accreditation of qualifications to ensure the quality of manpower.</p>	
002605 – 003237	Administration	<p>The Administration's responses to the deputations' views as follows:</p> <p>(a) The Administration noted the overwhelming support of the market and deputations on the Bill for the benefits to be brought to Hong Kong, including:</p> <p>(i) the development of Islamic finance to further enhance Hong Kong's role as a major international financial centre and an offshore RMB centre; and</p> <p>(ii) removing impediment of the existing tax regime to the development of</p>	

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		<p>sukuk market through providing comparable taxation framework for some common types of sukuk vis-à-vis conventional bonds in terms of profits tax, property tax and stamp duty liabilities.</p> <p>(b) The Administration would take note of the suggestion for developing relevant DIPNs and SOIPNs to facilitate implementation of the Bill and address technical issues from market practitioners.</p> <p>(c) In developing the legislative proposals, the Administration had taken time to consult interested stakeholders and had taken on board their views/comments in refining the proposals and drafting of the Bill.</p> <p>(d) The Administration concurred that there should be flexibility in expanding the coverage of ABS in the future, and the Bill had therefore incorporated a provision for the Financial Secretary to expand the coverage of eligible ABS by way of subsidiary legislation which would be subject to the negative vetting procedure of LegCo.</p> <p>(e) The Administration had considered the views of stakeholders in determining the record-keeping periods.</p>	
003238 – 003716	Ms Starry LEE Mr NASIR BOCHK Labuan	<p>Ms LEE invited comments from deputations on the following concerns raised in the submissions of LSHK and a number of accounting firms (including the PricewaterhouseCoopers Limited and the Ernst &amp; Young):</p> <p>(a) the qualifying condition of "reasonable commercial return" (section 13 of the proposed Schedule 17A to the Inland Revenue Ordinance ("IRO")) was difficult to define and should be removed; and</p> <p>(b) the "maximum term length" condition (section 16 of the proposed Schedule 17A to IRO) imposed an additional requirement as compared to conventional bonds and should be removed.</p>	

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		<p>Mr NASIR pointed out that LSHK had set out its views on the "reasonable commercial return condition" in its submission and considered that DIPNs and SOIPNs to be developed should provide further details, including factors IRD would take into account in determining whether an ABS would satisfy the condition, and whether IRD would provide an advance ruling on whether an ABS had complied with the condition.</p> <p>BOCHK's representative considered that clear guidance should be provided for the "reasonable commercial return" condition and hoped that the "maximum term length" condition could be removed.</p> <p>Labuan's representative remarked that the "reasonable commercial return" condition was necessary to provide flexibility for the structuring of sukuk, and DIPNs should set out the details to facilitate compliance by sukuk issuers.</p>	
003717 – 004405	Ms Starry LEE BOCHK Labuan	<p>Ms LEE sought views from deputations on the necessary cultural environment and infrastructure Hong Kong should have to facilitate the development of Islamic finance, and the Administration's supporting measures in this regard.</p> <p>Deputations expressed views as follows:</p> <p>(a) BOCHK's representative pointed out that the Bill was introduced in a timely manner to facilitate the development of a sukuk market in Hong Kong, particularly to meet the strong demand for offshore Shariah-compliant RMB investment products owing to the rapid pace of RMB internationalization.</p> <p>(b) Labuan's representative remarked that:</p> <p>(i) the Malaysian Government visited Hong Kong in 2008-09 to promote Islamic finance yet there was few follow-up actions owing to the lack of relevant platform;</p>	

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		<p>(ii) the Bill could help reduce the transaction costs of Islamic finance products;</p> <p>(iii) the Administration should consider stepping up co-operation with Malaysia in the development of Islamic finance given that Malaysia currently contributed to around 70% of sukuk issuance worldwide, its developed infrastructure, e.g. the settlement system "MyClear" developed to facilitate RMB business including the issuance of RMB-denominated bonds, and its experience in the dual listing of sukuk bonds in the stock markets of Malaysia and Hong Kong; and</p> <p>(iv) the development of dim-sum bonds and offshore bonds denominated in RMB might promote the internationalization of RMB.</p>	
004406 – 005408	<p>Mr Kenneth LEUNG KM Labuan Mr NASIR BOCHK Citibank NTEIL TMA</p>	<p>Mr LEUNG expressed support for the Bill and enquired about the Muslim population in Hong Kong and the Mainland.</p> <p>Deputations expressed views as follows:</p> <p>(a) KM's representative remarked that there were around 200,000 Muslims in Hong Kong. Although there was no information on Muslim population in the Mainland, KM was aware that many Muslims in the Middle East planned to do business and open offices in Hong Kong and the Mainland.</p> <p>(b) Labuan's representative remarked that it was estimated that the Muslim population in China reached some 22 million, most of them lived in the Xinjiang Uygur Autonomous Region, the Ningxia Hui Autonomous Region ("NHAR") and Zheng Zhou of the Henan Province. He was aware that the Government of NHAR would like to issue wholesale sukuk through Hong Kong and it would be helpful if Hong Kong could conduct more relevant road show in the region.</p>	

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		<p>(c) BOCHK's representative pointed out that the main market of Islamic finance was the Middle East. Mr NASIR added that apart from individual Muslim, there was also demand for Islamic finance from Muslim banks and institutions.</p> <p>(d) Citibank's representative remarked that any institutions tapping the Islamic finance market would attract Islamic liquidity worldwide, including liquidity from Muslim and non-Muslim investors in Hong Kong, the Mainland and the Middle East. The Bill could help attract liquidity from the Middle East and Islamic centres in Asia.</p> <p>(e) TMA's representative pointed out that other countries were devising measures to facilitate the development of Islamic finance and Hong Kong should catch up in the area.</p> <p>(f) NTEIL's representative remarked that the Administration should formulate a comprehensive strategy in enhancing the development of Islamic finance in Hong Kong, including introducing a wide range of Islamic finance products, promoting the concept of Islamic finance to investors, and developing suitable training for relevant talents and professionals.</p>	
005409 – 010619	Mr Kenneth LEUNG Citibank Mr NASIR BOCHK Labuan KM Administration	<p>Mr LEUNG's enquiries about:</p> <p>(a) whether the development of a local sukuk market would help sovereign wealth funds to invest in Hong Kong and the Mainland; and</p> <p>(b) whether there were any regulatory or taxation hurdles prohibiting the introduction of Islamic mortgage in Hong Kong.</p> <p>Deputations expressed views as follows:</p> <p>(a) Citibank's representative pointed out that the development of Islamic finance would attract investment of sovereign wealth funds as:</p>	

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		<p>(i) investors, especially Muslims, would invest in products that were Shariah-compliant; and</p> <p>(ii) the structuring of Shariah-compliant assets would help widen the target base of investors.</p> <p>(b) BOCHK's representative re-iterated that RMB internationalization had increased the trade volume between the Mainland and the Middle East, and hence growth in the demand for offshore RMB investment products which were Shariah-compliant. Growth in the sukuk market in Hong Kong would facilitate the development of Islamic finance in the Mainland. Mature market with higher liquidity would be more capable of attracting sovereign wealth funds.</p> <p>(c) Labuan's representative opined that in order to facilitate the development of a sukuk market in Hong Kong, IRD should consider incorporating views from the relevant professional bodies in handling issues relating to compliance with Shariah. As regards the development of Islamic mortgage, Labuan's representative advised that while the payments of interests were prohibited under Shariah, the issuers of Islamic mortgage could structure the product to comply with principles of Shariah. IRD should also exercise flexibility to cater for the different practices of Islamic finance in various jurisdictions.</p> <p>(d) KM's representative explained the difference between a conventional mortgage and Islamic mortgage.</p> <p>The Administration's responses as follows:</p> <p>(a) While the Administration did not anticipate any systemic problem to the introduction of Islamic mortgages in Hong Kong, it would adopt an open attitude to look into the relevant taxation issues.</p>	

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		<p>(b) The Administration welcomed the opportunities for sharing experience and strengthening partnership with relevant authorities and organizations of Asian economies and the Mainland in the development of Islamic finance.</p> <p>(c) The Administration was aware of the need to step up relevant training for market practitioners and professionals involved in Islamic finance.</p>	
<p>010620 – 011530</p>	<p>Mr Abraham SHEK KM Mr NASIR Citibank</p>	<p>Mr SHEK's enquiries about:</p> <p>(a) whether the religion-neutral approach adopted in drafting the Bill could operate in practice; and</p> <p>(b) comparison of the religion-neutral drafting approach of the Bill with that adopted in relevant legislation of other jurisdictions like Malaysia.</p> <p>KM's representative supported adopting the religion-neutral drafting approach for the Bill.</p> <p>Mr NASIR considered that the Bill could apply in practice as the essential/core features of sukuk were incorporated in an ABS covered by the Bill. Investors familiar with Islamic finance would have no difficulty in understanding these features.</p> <p>Mr SHEK further enquired whether the principles of Shariah would apply in the actual implementation of the Bill.</p> <p>Mr NASIR said that this would not be the case. He explained that the structuring and issuance of sukuk involved a number of steps which would attract liabilities for tax under the existing tax regime of Hong Kong. The Bill sought to exempt sukuk from these liabilities, and whether the sukuk products were Shairah-compliant or otherwise would not affect the exemption. As there were different schools of law in Islam, the religion-neutral drafting approach could avoid possible conflicts between the different schools of law in Islam which might complicate the implementation of the Bill.</p>	

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		<p>Citibank's representative added that the Bill provided a level playing field for common types of sukuk vis-à-vis conventional bonds in terms of taxation issues. The governing law for transaction documents of sukuk could either be local law or international law. A Shariah scholar would examine the features of the sukuk as stated in the transaction documents rather than the governing law of the transaction documents in considering whether the sukuk was Shariah compliant.</p>	
<p>011531 – 012242</p>	<p>Mr Abraham SHEK Labuan Mr NASIR Citibank KM</p>	<p>Mr SHEK enquired whether there were court cases in other jurisdictions involving issued sukuk subsequently declared non-compliant with Shariah, which could have adverse impact on the sukuk's investors.</p> <p>Deputations expressed views as follows:</p> <p>(a) Labuan's representative remarked that:</p> <ul style="list-style-type: none"> <li>(i) the United Kingdom ("UK") also adopted a religion-neutral drafting approach in its relevant legislation;</li> <li>(ii) in working out the relevant DIPNs, IRD should consult Shariah professionals/scholars on issues relating to compliance with Shariah; and</li> <li>(iii) issuers of sukuk would consult the views of professionals/scholars of Shariah bodies in ensuring the sukuk would comply with Shariah.</li> </ul> <p>(b) Mr NASIR remarked that there were relevant case laws in the UK and Malaysia relating to sukuk, and contract law would apply in courts on disputes involving sukuk.</p> <p>Mr SHEK further enquired whether a sukuk contract would be subject to common law or Shariah.</p>	

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		<p>Deputations expressed views as follows:</p> <ul style="list-style-type: none"> <li>(a) Mr NASIR pointed out that there were relevant case laws addressing the issue and the courts would not apply Shariah to court cases on contracts;</li> <li>(b) Citibank's representative remarked that while sukuk, which was a kind of contract, had to comply with Shariah, the governing law for sukuk would be common law;</li> <li>(c) KM's representative remarked that he did not foresee conflicts between Shariah and the application of common law in practice; and</li> <li>(d) Labuan's representative pointed out that the issuer of sukuk would ensure that the sukuk would comply with both Shariah and the governing law of the jurisdiction concerned.</li> </ul>	
<p>012243 – 012922</p>	<p>Mr Kenneth LEUNG Mr NASIR TMA Citibank</p>	<p>Mr LEUNG's enquiries about:</p> <ul style="list-style-type: none"> <li>(a) whether the issuer of sukuk had to obtain prior approval from a relevant Shariah committee that the sukuk concerned was in compliance with Shariah;</li> <li>(b) whether the transaction documents of sukuk would contain relevant provisions (like termination event or event of default) setting out arrangements in case that the sukuk was ruled by a Shariah committee as non-compliance with Shariah; and</li> <li>(c) the legal and practical implications when a particular sukuk was declared non-compliant with Shariah.</li> </ul> <p>Mr NASIR confirmed that in general it was necessary to obtain prior approval from the relevant bodies that a specific sukuk product was in compliance with Shariah. He pointed out that replacement of underlying assets might be conducted for sukuk declared as non-compliant with Shariah.</p>	

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		<p>TMA's representative said that Shairah would only be relevant to investors bound by Shairah and the issuer of sukuk would consult recognized scholars familiar with Shariah to ensure sukuk's compliance with Shariah. The transaction documents of sukuk would specify the underlying assets to be replaced. There was no precedent that the declaration of a particular sukuk as non-compliant with Shariah had resulted in default of the sukuk.</p> <p>Citibank's representative remarked that the transaction documents of sukuk would contain provisions addressing Shariah compliance issues. Islamic finance was evolving and new types of underlying assets would be developed. He was not aware of cases where a sukuk issued was subsequently declared non-compliant with Shariah.</p>	
<p>012923 – 013711</p>	<p>Mr Abraham SHEK TMA Citibank BOCHK KM Mr NASIR Labuan</p>	<p>Mr SHEK expressed concern that replacement of the underlying assets of sukuk in the circumstance that the concerned sukuk were found non-compliant with Shariah could have adverse impact on the investors as the value of the assets for replacement might be lower.</p> <p>TMA's representative replied that the assets for replacement would be of equal value.</p> <p>Citibank's representative added that compliance with Shariah was independent from the valuation of the underlying assets of sukuk and compliance with Shariah could be maintained as long as suitable assets were used for replacement. The transaction documents of sukuk would set out relevant information regarding replacement of the underlying assets.</p> <p>BOCHK's representative remarked that both sukuk and conventional financial instruments faced governance issues.</p> <p>Noting that there were some five schools of law in Islam, Mr SHEK expressed concern about possible conflicts among them and whether such conflicts could occur after the issuance of sukuk.</p>	

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		<p>KM's representative pointed out that in Islamic finance, only one school of thought would apply.</p> <p>Mr NASIR added that transactions under Islamic finance were matters of contracts and sukuk would be structured in such a way that activities prohibited under Shariah would not be conducted.</p> <p>Labuan's representative pointed out that the issuers of sukuk would ensure that the sukuk would comply with Shariah. He also referred to his past submission to the Administration and suggested that the Administration should consider extending the coverage of Bill to include the common types of sukuk set out in his submission.</p>	
013712 – 013815	Mr Kenneth LEUNG Administration	<p>In response to Mr LEUNG's enquiry, the Administration advised that the Bill had provided flexibility in extending the coverage of "specified investment arrangement" to include new type of sukuk by way of subsidiary legislation which would be subject to the negative vetting procedure of LegCo. The DIPNs would also be updated to set out the relevant implementation details.</p>	
013816 – 013907	Chairman	<p>The Chairman thanked the deputations for attending the meeting and presenting their views.</p>	
013908 – 014309	Administration	<p>Briefing by the Administration on its paper (LC Paper No. CB(1)693/12-13(13)) on follow-up to issues raised at the last meeting</p> <p>As regards the public consultation on the legislative proposals under the Bill, the Administration pointed out that it had carefully considered the relevant comments on several major issues and refined the proposals in light of the comments. For instance, the maximum term length condition was extended from ten years to 15 years, and the record-keeping requirements had been relaxed. The implementation details of the Bill (including how the "reasonable commercial return" condition would be determined) would be set out in DIPNs and the Administration would further consult stakeholders in the preparation of DIPNs.</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
014310 – 014439	Chairman Mr Kenneth LEUNG	Dates of next three meetings	

Council Business Division 1  
Legislative Council Secretariat  
7 August 2013