

**Replies to supplementary questions raised by Finance Committee Members in examining the
Estimates of Expenditure 2013-14**

**Director of Bureau : Secretary for Financial Services and the Treasury
Session No. : 3**

Reply Serial No.	Question Serial No.	Name of Member	Head	Programme
S-FSTB(FS)01	SV003	HO Chun-yan, Albert	116	(1) Official Receiver's Office
S-FSTB(FS)02	S012	LEUNG, Kenneth	148	(1) Financial Services
S-FSTB(FS)03	S025	MOK, Charles Peter	26	(5) Price/Industry/Service Statistics
S-FSTB(FS)04	S016	TANG Ka-piu	116	(1) Official Receiver's Office
S-FSTB(FS)05	S017	TANG Ka-piu	G01	
S-FSTB(FS)06	S022	WONG Kwok-hing	26	(4) General Statistical Services
S-FSTB(FS)07	S023	WONG Kwok-hing	26	(4) General Statistical Services
S-FSTB(FS)08	S024	WONG Kwok-hing	148	(1) Financial Services
S-FSTB(FS)09	S008	WONG Kwok-kin	26	(4) General Statistical Services
S-FSTB(FS)10	S009	WONG Kwok-kin	26	(4) General Statistical Services
S-FSTB(FS)11	S010	WONG Kwok-kin	26	(4) General Statistical Services

**CONTROLLING OFFICER'S REPLY TO
ORAL QUESTION**

S-FSTB(FS)01

Question Serial No.

SV003

Head: 116 – Official Receiver's Office Subhead (No. & title):

Programme: Official Receiver's Office

Controlling Officer: Official Receiver

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Pursuant to reply no. FSTB(FS)011, the Administration is requested to provide information on the studies that would be conducted, either internally or through consultants, on corporate insolvency regime and the introduction of a statutory corporate rescue procedure.

Asked by: Hon. HO Chun-yan, Albert

Reply:

Financial Services and the Treasury Bureau and the Official Receiver's Office ("ORO") plan to launch a public consultation exercise on legislative proposals to improve the corporate insolvency law in the second quarter of this year. In parallel, we are also studying various relevant key issues in respect of the proposed corporate rescue procedure and working further on the detailed legislative proposals, having regard to the public consultation in late 2009.

Legal research on the relevant law and procedures and comparable studies of other jurisdictions such as the UK and Australia are conducted in-house by legal officers in ORO. Reference has also been made, where appropriate, to the relevant studies and recommendations of the Law Reform Commission as contained in its "Report on the Winding-up Provisions of the Companies Ordinance" and "Report on Corporate Rescue and Insolvent Trading". ORO has no plan at present to engage consultants to assist its work in this regard.

Name in block letters: Ms Teresa S W Wong

Post Title: Official Receiver

Date: 15.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)02

Question Serial No.

S012

Head: 148 – Government Secretariat: Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the reply of the Financial Services Branch (“FSB”), the secretariat of the Financial Services Development Council (“FSDC”) has 1 Senior Economist and 4 administrative personnel (including 1 Chief Executive Officer, 2 Senior Executive Officers and 1 Assistant Clerical Officer) seconded from the FSB, and 3 professionals have been seconded from the Hong Kong Monetary Authority, Hong Kong Trade Development Council and Securities and Futures Commission respectively to provide support for the FSDC. Are these secondment arrangements made on full-time basis? The pay for the seconded officers is now borne by the Government bureau and institutions concerned. What is the estimated total pay for 2013-14?

Asked by: Hon. LEUNG, Kenneth

Reply:

Except the deployment of 1 Senior Economist from FSB, all staff deployed/seconded to the FSDC Secretariat are on full-time basis. The estimated total pay (inclusive of salary and fringe benefits) for the secretariat staff of the FSDC Secretariat is \$10.85 million for 2013-14¹.

Name in block letters: Miss AU King-chi
Post Title: Permanent Secretary for Financial Services and
the Treasury (Financial Services)
Date: 16.4.2013

¹ The total pay for the secretariat staff are calculated on a full-time basis.

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)03

Question Serial No.

S025

Head: 26 – Census and Statistics Department Subhead (No. & title):

Programme: (5) Price/Industry/Service Statistics

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Census and Statistics Department (“C&SD”) will release the relevant statistics compiled in accordance with the new guidelines in the May 2013 issue of the “Hong Kong Monthly Digest of Statistics”. Will C&SD devise the up-to-date “classification” indicators for cultural and creative industries in accordance with the international recommendations (“Creative Economy Report” of the United Nations Conference on Trade and Development)? If yes, please advise the details and the implementation time frame. If no, why?

Asked by: Hon. MOK, Charles Peter

Reply:

In the May 2013 issue of the “Hong Kong Monthly Digest of Statistics”, the Census and Statistics Department (“C&SD”) will release statistics on cultural and creative industries (“CCI”), the coverage of which fully comply with the international statistical guidelines promulgated in the “Creative Economy Report 2010” of the United Nations Conference on Trade and Development (“UNCTAD”). In order to better reflect the economic situation in Hong Kong, the more refined classification of CCI in Hong Kong comprises 11 component domains as against 9 domains recommended by UNCTAD. Apart from industry statistics (value added and employment), C&SD will at the same time release additional statistics on trade in cultural and creative goods and services, compiled based on UNCTAD international classification with adaptations to the economic structure of Hong Kong.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)04

Question Serial No.

S016

Head: 116 – Official Receiver's Office Subhead (No. & title):

Programme: Official Receiver's Office

Controlling Officer: Official Receiver

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to the Reply Serial No. FSTB(FS)112, the Official Receiver's Office ("ORO") also keeps separate statistics of the age, liabilities, monthly income, residence type and cause of bankruptcy of the bankrupts. In this connection, will the Administration inform this Committee of the monthly income and residence type of the bankrupts, and the timetable of exploring the feasibility of keeping separate statistics on the gender and sources of debt of the bankrupts, and the types of creditors involved?

Asked by: Hon. TANG Ka-piu

Reply:

Based on statistical information collected in bankruptcy cases with bankruptcy orders made during the period from 2008 to 2012, the distributions of monthly income and residence type of the bankrupts are as follows:

Monthly income of Bankrupts	Percentage
No income	38.20%
\$10,000 or below	39.40%
above \$10,000 - \$15,000	16.59%
above \$15,000 - \$20,000	4.01%
above \$20,000 - \$25,000	1.03%
above \$25,000	0.77%
Total	100.00%

Residence type of Bankrupts	Percentage
Public Housing	55.84%
Private Apartment (owned by the bankrupts*)	2.40%
Private Apartment (not owned by the bankrupts)	41.76%
Total	100.00%

* All these properties are under mortgage / charge.

Maintaining separate statistics on information such as gender, sources of debt and types of creditors of the bankrupts has limited use on the handling of bankruptcy cases. Therefore, ORO's computer system currently does not record such information. ORO will review the need and the feasibility of keeping separate statistics on such information when its computer system requires upgrading.

Name in block letters: Ms Teresa S W Wong

Post Title: Official Receiver

Date: 15.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)05

Question Serial No.

S017

Head: G01 – Bond Fund

Subhead (No. & title):

Programme:

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

According to Reply Serial No. FSTB(FS)114, government bonds can be held by accounts on a nominee basis (say, institutions holding such bonds for their clients). Will the Administration advise this Committee of the top ten institutions holding the largest amounts of bonds?

Asked by: Hon. TANG Ka-piu

Reply:

In accordance with the Clearing and Settlement Systems Ordinance, except for specified circumstances (e.g. certain legal proceedings), the Monetary Authority shall not disclose information about the bonds held by individual institutions in operating the Central Moneymarkets Unit without the consent of the relevant institutions.

This notwithstanding, according to the Hong Kong Monetary Authority's understanding from the Primary Dealers, the broad distribution of investors of institutional government bonds at tenders is as follows –

Bank investments	81.0%
Insurance companies	6.7%
Foreign public sector investors	5.9%
Investment funds	2.9%
Pension funds	1.3%
Public sector entities	0.2%
Others	2.0%

Name in block letters: Miss AU King-chi

Post Title: Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)06

Question Serial No.

S022

Head: 26 – Census and Statistics Department Subhead (No. & title):

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

The Reply Serial No. FSTB(FS)139 indicates that the Census and Statistics Department will contract out a few ad hoc thematic household surveys in 2013-14. For this, will the Administration advise us: the number of surveys to be contracted out? The fees required for outsourcing? The number of outsourced workers to be engaged?

Asked by: Hon. WONG Kwok-hing

Reply:

The Census and Statistics Department will contract out 3 rounds of Thematic Household Survey (“THS”) covering 4 different topics to private research firms. The estimated contract cost for each round of THS is about \$3 million. In each round of THS, around 40 interviewers employed by the respective private research firms will be involved in field operation.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)07

Question Serial No.

S023

Head: 26 – Census and Statistics Department Subhead (No. & title):

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Mainland people have been spending more money in Hong Kong, which on one hand has helped boost local economy and on the other hand affected the livelihood of the citizens, resulted in discontent and complaint of the community. Will the Administration consider conducting a new survey on the spending pattern of Mainland people in Hong Kong, so as to facilitate the government in understanding the impact caused by such spending on the citizens and formulating corresponding policies?

Asked by: Hon. WONG Kwok-hing

Reply:

At present, the Hong Kong Tourism Board publishes biannually the statistical publication *Tourism Expenditure Associated to Inbound Tourism* which contains figures of spending by Mainland visitors on shopping, hotel bills, meals outside hotels and other services (such as entertainment and tours), with breakdown by overnight and same-day Mainland visitors.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)08

Question Serial No.

S024

Head: 148 – Government Secretariat : Subhead (No. & title):
Financial Services and the Treasury
Bureau (Financial Services Branch)

Programme: Financial Services

Controlling Officer: Permanent Secretary for Financial Services and the Treasury (Financial Services)

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

Some \$27.9 billion of accrued benefits had been withdrawn during the past 3 years in 2010-2013. Would the Secretary please provide supplementary information on the amount spent on severance payments or long service payments and their respective percentage shares in each of the 3 years?

Asked by: Hon. WONG Kwok-hing

Reply:

In the period from 2010 to 2013, the amount withdrawn for offsetting severance payments or long service payments and their respective percentage shares are \$2.1 billion (26%), \$2.3 billion (26%) and \$2.3 billion (20%) respectively. The Mandatory Provident Fund Schemes Authority does not have the breakdown figures of the respective amounts of MPF accrued benefits offset against severance payments and long service payments.

Name in block letters: Miss AU King-chi

Post Title: Permanent Secretary for Financial Services
and the Treasury (Financial Services)

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)09

Question Serial No.

S008

Head: 26 – Census and Statistics Department Subhead (No. & title):

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of Reply Serial No. FSTB(FS)141, will the Administration advise us that, after the elapse of 9 years, the reason for not yet fully implemented the recommendations of the Information Systems Strategy Study, which was completed in 2004. Please explain the slow progress.

Asked by: Hon. WONG Kwok-kin

Reply:

The Information Systems Strategy Study (“ISSS”) conducted in 2004 recommended a total of 16 strategic information technology (“IT”) projects, among which 9 projects were identified as priority items. The remaining 7 projects will be implemented later so as to take into account the recommendations of the interim review after the completion of the 9 projects in the light of the latest technological developments.

The Census and Statistics Department (“C&SD”) has implemented the 9 strategic IT projects mentioned above progressively. So far, 7 projects have been fully completed. The remaining 2 projects are a Computer-assisted Telephone Interview (“CATI”) System and a Data Collection System using Imaging Technology (“Imaging”). There has been some delay in the progress of these 2 projects owing to the following reasons:

- (i) CATI System: The tender for the project turned out to be unsuccessful in 2011 as no suitable company was identified. A re-tendering process is now underway and C&SD has updated the tender specifications to incorporate the latest system requirements and trends in technological developments.
- (ii) Imaging System: Latest trend has shown that paper form questionnaire is being replaced by electronic questionnaire, thus rendering the application of imaging technology in processing survey questionnaires less effective. C&SD intends to introduce a new strategy of Online Questionnaire System to replace the Imaging System.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

Reply Serial No.

S-FSTB(FS)10

Question Serial No.

S009

Head: 26 – Census and Statistics Department Subhead (No. & title):

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of Reply Serial No. FSTB(FS)141, will the Administration advise us the estimated expenditure and manpower requirement for establishing the Online Questionnaire System.

Asked by: Hon. WONG Kwok-kin

Reply:

The Census and Statistics Department (“C&SD”) plans to outsource the establishment of the Online Questionnaire System. The tentative estimated cost for the project is \$9.8 million. C&SD will redeploy existing staff to oversee the implementation of the project.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 16.4.2013

**CONTROLLING OFFICER'S REPLY TO
SUPPLEMENTARY QUESTION**

S-FSTB(FS)11

Question Serial No.

S010

Head: 26 – Census and Statistics Department Subhead (No. & title):

Programme: (4) General Statistical Services

Controlling Officer: Commissioner for Census and Statistics

Director of Bureau: Secretary for Financial Services and the Treasury

Question:

In respect of Reply Serial No. FSTB(FS)141, will the Administration advise us:

The Administration has planned to conduct an Information Systems Strategy Study interim review, and submit the funding application in 2014. What are the implementation details and schedule? What are the estimated expenditure and manpower requirement?

Asked by: Hon. WONG Kwok-kin

Reply:

The Census and Statistics Department (“C&SD”) will apply for fund in 2014 to implement the interim review after completing the assessment of the expenditure and manpower requirement. Subject to the availability of resources, C&SD plans to undertake the review in mid-2015 for completion in 2017. The interim review will focus on assessing the scope and implementation schedule of the remaining 7 projects proposed in the ISSS in 2004, with due regard to the latest operational needs of C&SD and technology developments.

Name in block letters: Mrs Lily OU-YANG

Post Title: Commissioner for Census and Statistics

Date: 16.4.2013