

立法會
Legislative Council

LC Paper No. CB(2) 830/12-13

Ref : CB2/H/5/12

House Committee of the Legislative Council

**Minutes of the 19th meeting
held in Conference Room 1 of the Legislative Council Complex
at 2:30 pm on Friday, 15 March 2013**

Members present:

Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)

Hon Ronny TONG Ka-wah, SC (Deputy Chairman)

Hon Albert HO Chun-yan

Hon James TO Kun-sun

Hon CHAN Kam-lam, SBS, JP

Hon LEUNG Yiu-chung

Dr Hon LAU Wong-fat, GBM, GBS, JP

Hon Emily LAU Wai-hing, JP

Hon TAM Yiu-chung, GBS, JP

Hon Tommy CHEUNG Yu-yan, SBS, JP

Hon Frederick FUNG Kin-kee, SBS, JP

Hon Vincent FANG Kang, SBS, JP

Hon WONG Kwok-hing, MH

Dr Hon Joseph LEE Kok-long, SBS, JP

Hon Jeffrey LAM Kin-fung, GBS, JP

Hon WONG Ting-kwong, SBS, JP

Hon Starry LEE Wai-king, JP

Dr Hon LAM Tai-fai, SBS, JP

Hon CHAN Hak-kan, JP

Hon CHAN Kin-por, BBS, JP

Dr Hon Priscilla LEUNG Mei-fun, JP

Hon CHEUNG Kwok-che

Hon WONG Kwok-kin, BBS

Hon Mrs Regina IP LAU Suk-ye, GBS, JP

Hon Paul TSE Wai-chun, JP

Hon Alan LEONG Kah-kit, SC

Hon WONG Yuk-man

Hon James TIEN Pei-chun, GBS, JP

Hon Steven HO Chun-yin

Hon Frankie YICK Chi-ming
Hon WU Chi-wai, MH
Hon YIU Si-wing
Hon Gary FAN Kwok-wai
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon CHAN Han-pan
Dr Hon Kenneth CHAN Ka-lok
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Dr Hon KWOK Ka-ki
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP
Dr Hon Fernando CHEUNG Chiu-hung
Hon SIN Chung-kai, SBS, JP
Dr Hon Helena WONG Pik-wan
Hon IP Kin-yuen
Dr Hon Elizabeth QUAT, JP
Hon POON Siu-ping, BBS, MH
Hon TANG Ka-piu
Dr Hon CHIANG Lai-wan, JP
Ir Dr Hon LO Wai-ki, BBS, MH, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP

Members absent:

Hon LEE Cheuk-yan
Hon Abraham SHEK Lai-him, SBS, JP
Hon Cyd HO Sau-lan
Hon IP Kwok-him, GBS, JP
Dr Hon LEUNG Ka-lau
Hon LEUNG Kwok-hung
Hon Albert CHAN Wai-yip
Hon Claudia MO
Hon Michael TIEN Puk-sun, BBS, JP
Hon NG Leung-sing, SBS, JP
Hon MA Fung-ki, SBS, JP
Hon CHAN Yuen-han, SBS, JP
Hon Alice MAK Mei-kuen, JP
Hon Martin LIAO Cheung-kong, JP
Hon Tony TSE Wai-chuen

Clerk in attendance :

Miss Flora TAI

Clerk to the House Committee

Staff in attendance :

Mr Kenneth CHEN, SBS	Secretary General
Mr Jimmy MA, JP	Legal Adviser
Mrs Justina LAM	Deputy Secretary General
Mr Andy LAU	Assistant Secretary General 1
Miss Odelia LEUNG	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
Miss Erin TSANG	Acting Principal Council Secretary (Complaints)
Mr Simon WONG	Chief Public Information Officer
Ms Amy YU	Chief Council Secretary (2)6
Miss Carrie WONG	Assistant Legal Adviser 4
Miss Kitty CHENG	Assistant Legal Adviser 5
Miss Winnie LO	Assistant Legal Adviser 7
Mr YICK Wing-kin	Assistant Legal Adviser 8
Ms Clara TAM	Assistant Legal Adviser 9
Miss Josephine SO	Senior Council Secretary (2)2
Mr Jove CHAN	Senior Council Secretary (2)6
Mr Ringo LEE	Senior Legislative Assistant (2)1
Ms Anna CHEUNG	Senior Legislative Assistant (2)3
Mr Arthur KAN	Legislative Assistant (2)7

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I. Confirmation of the minutes of the 18th meeting held on 1 March 2013

(LC Paper No. CB(2) 764/12-13)

The minutes were confirmed.

II. Matters arising

(a) Report by the Chairman on the meeting with the Chief Secretary for Administration ("CS")

2. The Chairman said that he had not attended the meeting with CS. He invited the Deputy Chairman to report to Members on the meeting.

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3. The Deputy Chairman said that he had relayed to CS the concern that many bills on the 2012-2013 Legislative Programme had yet to be introduced into the Legislative Council ("LegCo"). He had requested CS to urge the policy bureaux to introduce the bills by mid-June so as to allow Members sufficient time for scrutiny before the end of the current session and avoid affecting the scrutiny work of bills in the coming sessions. CS advised that she would once again remind the policy bureaux to avoid the bunching of bills at the end of the LegCo term. She would also request the policy bureaux to introduce the complicated bills as early as possible.

4. The Deputy Chairman further said that CS had enquired about the duty visit to be conducted by the Panel on Environmental Affairs ("the EA Panel") to Seoul, Republic of Korea, in early April 2013 to study the country's experience in waste management, which would coincide with a similar visit by the Administration. He had informed CS that it was a deliberate arrangement agreed between the EA Panel and the Environment Bureau.

5. The Deputy Chairman added that CS had also raised concern about the incident of a Member throwing an object at the Financial Secretary at the Council meeting of 27 February 2013. He had told CS that the President dealt with the incident immediately in accordance with the Rules of Procedure.

6. Ms Emily LAU stressed that the Administration should introduce bills, in particular the complicated ones, into LegCo as early as possible to ensure that there was sufficient time for consideration by LegCo and the public.

7. Responding to Ms Emily LAU's enquiry on the arrangements for the duty visit of the EA Panel to Seoul, Secretary General ("SG") said that the Panel would start the visit one day earlier than the Administration to meet with some non-governmental organizations. Starting from the second day, the delegation of the Panel would have the same visit programme as the Administration. SG further said that there were cases in the past where Government officials had accompanied Members during their overseas duty visits. However, it was the first time a Bureau Secretary and Members went on overseas duty visits to the same place in parallel. It was his understanding that the EA Panel had discussed and agreed to the arrangements for the visit.

8. Ms Emily LAU said that she recalled that several technical officials from the relevant Government departments had accompanied Members during the duty visit undertaken by the EA Panel to Japan,

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Denmark and Finland a few years ago. She hoped that the upcoming duty visits of the EA Panel and the Administration to Seoul to study waste management would facilitate their future discussion on the relevant issues.

9. Mr Vincent FANG opined that Members and Government officials participating in the visit should adopt an accommodating attitude and refrain from engaging in heated debates because of differences in opinion when meeting with the receiving organizations. Ms Emily LAU shared Mr FANG's view.

(b) Smoking (Public Health) (Designation of No Smoking Areas) (Amendment) Notice 2013

(Paragraphs 4 to 6 of the minutes of the 18th House Committee meeting held on 1 March 2013)

[Previous paper:

paragraphs 5 to 12 of LC Paper No. LS 27/12-13 issued vide LC Paper No. CB(2) 723/12-13 dated 28 February 2013]

10. The Chairman said that at the last House Committee ("HC") meeting, Members agreed, at the request of Mr James TO, to defer the decision on whether to form a subcommittee on the above Notice to this HC meeting.

11. Mr James TO said that he had studied the Notice with reference to the relevant plans and had no further questions on the Notice.

12. Members agreed that it was not necessary to form a subcommittee to study the Notice.

13. The Chairman reminded Members that the deadline for amending the Notice was 27 March 2013.

III. Legal Service Division report on subsidiary legislation gazetted on 1 March 2013

(LC Paper No. LS 29/12-13)

14. At the invitation of the Chairman, Legal Adviser ("LA") said that two items of subsidiary legislation, i.e. the Rating (Exemption) Order 2013 (L.N. 26) and the Revenue (Reduction of Business Registration Fees) Order 2013 (L.N. 27) were gazetted on 1 March 2013 and would be tabled in the Council on 20 March 2013.

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15. Regarding L.N. 26, LA explained that it was to give effect to the rates concession proposed in the 2013-2014 Budget by exempting all tenements from the payment of rates up to \$1,500 per quarter during the period from 1 April 2013 to 31 March 2014.

16. Mr SIN Chung-kai asked whether the proposed rates concession would be affected if the Appropriation Bill 2013 was not passed by LegCo.

17. At the invitation of the Chairman, LA explained that from the legal point of view, there was no direct correlation between the expenditure proposals and the revenue proposals contained in the Budget. The proposed rates concession, which was a proposal relating to revenue, was introduced by way of L.N. 26. L.N. 26 would come into operation on 1 April 2013 and would remain in force until it was repealed.

18. Members did not raise any further questions on the two items of subsidiary legislation.

19. The Chairman reminded Members that the deadline for amending these items of subsidiary legislation was 17 April 2013.

IV. Legal Service Division report on subsidiary legislation gazetted on 8 March 2013

(LC Paper No. LS 30/12-13)

20. At the invitation of the Chairman, LA said that two items of subsidiary legislation, i.e. the Legislation Publication (Revision) Order 2013 (L.N. 28) and the Telecommunications (Telecommunications Apparatus)(Exemption from Licensing)(Amendment) Order 2012 (Commencement) Notice (L.N. 29), were gazetted on 8 March 2013 and would be tabled in the Council on 20 March 2013.

21. Regarding L.N. 28, LA explained that it was made by the Secretary for Justice ("SJ") under section 17 of the Legislation Publication Ordinance (Cap. 614) ("LPO") to make amendments to various Ordinances and subsidiary legislation to, among other things, secure uniformity in expression within an Ordinance or with another Ordinance, to discontinue the use of "shall", and to replace a word or expression indicating gender by a gender-neutral word or expression.

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22. In response to the Deputy Chairman's enquiry, LA confirmed that the proposed amendments in L.N. 28 were technical in nature and did not effect any policy change. LA added that SJ was only empowered to make technical amendments under section 17 of LPO.

23. Members did not raise any further questions on the two items of subsidiary legislation.

24. The Chairman reminded Members that the deadline for amending these items of subsidiary legislation was 17 April 2013.

V. Business for the Council meeting of 20 March 2013

(a) Tabling of papers

Report No. 12/12-13 of the House Committee on Consideration of Subsidiary Legislation and Other Instruments

(LC Paper No. CB(2) 766/12-13 issued vide LC Paper No. CB(3) 429/12-13 dated 14 March 2013)

25. The Chairman said that the Report covered two items of subsidiary legislation, including the Personal Data (Privacy) (Amendment) Ordinance 2012 (Commencement) Notice, the period for amendment of which would expire on 20 March 2013. The Chairman further said that as the Chairman of the Subcommittee on the above Notice had indicated intention to speak on the Notice, he would, in his capacity as Chairman of HC, move a motion at the Council meeting to take note of the Report in relation to the Notice.

(b) Questions

(LC Paper No. CB(3) 417/12-13)

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

(c) Bills - First Reading and moving of Second Reading

(i) Pilotage (Amendment) Bill 2013

(ii) Air Pollution Control (Amendment) Bill 2013

27. The Chairman said that HC would consider the above two Bills at its next meeting on 22 March 2013.

(d) **Government motions**

- (i) **Three proposed resolutions to be moved by the Secretary for Transport and Housing under section 5(3)(b) of the Public Bus Services Ordinance (Cap. 230) in relation to the following three bus companies:**
- **New World First Bus Services Limited;**
 - **Long Win Bus Company Limited; and**
 - **Citybus Limited**

(Wording of the proposed resolution issued vide LC Paper No. CB(3) 409/12-13 dated 7 March 2013.)

28. The Chairman said that the Subcommittee on the above three proposed resolutions reported to HC on 1 March 2013.

- (ii) **Proposed resolution to be moved by the Secretary for Financial Services and the Treasury under the Public Finance Ordinance (Cap. 2)**

(Wording of the proposed resolution issued vide LC Paper No. CB(3) 396/12-13 dated 28 February 2013.)

29. The Chairman said that the Administration would move the above proposed Vote on Account resolution at the Council meeting.

(e) **Members' motions**

- (i) **Proposed resolution to be moved by Hon WONG Ting-kwong under section 34(4) of the Interpretation and General Clauses Ordinance (Cap. 1) in relation to the Import and Export (General) (Amendment) Regulation 2013**

(Wording of the proposed resolution issued vide LC Paper No. CB(3) 424/12-13 dated 14 March 2013.)

30. The Chairman said that Mr WONG Ting-kwong, Chairman of the Subcommittee on the above Regulation, would move a proposed resolution at the Council meeting to extend the scrutiny period of the Regulation to 17 April 2013.

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- (ii) **Proposed resolution to be moved by Hon TAM Yiu-chung under Article 75 of the Basic Law of the Hong Kong Special Administrative Region of the People's Republic of China**

(Wording of the proposed resolution issued vide LC Paper No. CB(3) 402/12-13 dated 1 March 2013.)

31. The Chairman said that Mr TAM Yiu-chung, Chairman of the Committee on Rules of Procedure, would move a proposed resolution to amend Rule 23(1) and (2) of the Rules of Procedure to provide two additional slots for written questions at a Council meeting.

- (iii) **Motion on "Promoting Hong Kong's economic restructuring"**

(Wording of the motion issued vide LC Paper No. CB(3) 410/12-13 dated 7 March 2013.)

- (iv) **Motion on "Implementing the Kai Tak Planning to dovetail with Kowloon East development"**

(Wording of the motion issued vide LC Paper No. CB(3) 423/12-13 dated 13 March 2013.)

32. The Chairman said that the above two motions would be moved by Mr Martin LIAO and Mr WONG Kwok-kin respectively, and the wording of the motions had been issued to Members.

33. The Chairman informed Members that the deadline for giving notice of amendments to the two motions had expired on 13 March 2013.

VI. Business for the Council meeting of 27 March 2013

- (a) **Questions**

(LC Paper No. CB(3) 416/12-13)

34. 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**

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

(c) **Government motion**

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

(d) **Members' motions**

(i) **Motion on "Urging the Government to eradicate 'gutter oil' and take the lead in supporting biodiesel"**

(Wording of the motion issued vide LC Paper No. CB(3) 430/12-13 dated 14 March 2013.)

(ii) **Motion on "Improving property management and operation of owners' corporations"**

(Wording of the motion issued vide LC Paper No. CB(3) 432/12-13 dated 14 March 2013.)

37. The Chairman said that the above two motions would be moved by Mr Paul TSE and Dr Priscilla LEUNG respectively, and the wording of the motions had been issued to Members.

38. The Chairman reminded Members that the deadline for giving notice of amendments, if any, to the motions was Wednesday, 20 March 2013.

Report of HC on consideration of subsidiary legislation

39. The Chairman invited Members to note the list containing nine items of subsidiary legislation tabled at the meeting, the scrutiny period of which would expire on 27 March 2013. Members who wished to speak on the subsidiary legislation should indicate their intention by 5:00 pm on Tuesday, 19 March 2013.

VII. Report of Bills Committees and subcommittees

(a) **First report of the Subcommittee on Subsidiary Legislation Made under the New Companies Ordinance**

40. Mr WONG Ting-kwong, Chairman of the Subcommittee, reported that the Subcommittee had completed scrutiny of the first batch of five items of subsidiary legislation for implementing the new Companies Ordinance.

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41. Mr WONG Ting-kwong further said that the Subcommittee had held four meetings to study the subsidiary legislation. Having considered members' concerns and the practical difficulties that might arise in implementing some of the provisions, the Administration had proposed amendments to the Companies (Directors' Report) Regulation and the Companies (Summary Financial Reports) Regulation. They included: (a) reinstating the disclosure requirement in respect of debentures; (b) expanding the scope of the disclosure in the directors' report of reasons of resignation provided by the resigning directors; (c) adding a disclosure requirement on information concerning material interests in the directors' report; and (d) requiring that summary financial reports should contain all the information and particulars disclosed in the notes to financial statements as required under the proposed Companies (Disclosure of Information about Benefits of Directors) Regulation. The Subcommittee had raised no objection to these proposed amendments and would provide its written report later.

42. Mr WONG Ting-kwong also informed the meeting that the Administration would table the second batch of two items of subsidiary legislation before LegCo on 27 March 2013. The Subcommittee would meet on 9 April 2013 to start the scrutiny of these two items of subsidiary legislation.

43. The Chairman reminded Members that as the deadline for amending these five items of subsidiary legislation was 27 March 2013, the deadline for giving notice of amendments, if any, was Wednesday, 20 March 2013.

**(b) Report of the Subcommittee on Securities and Futures
(Contracts Limits and Reportable Positions) (Amendment)
Rules 2013**

(LC Paper No. CB(1) 699/12-13)

44. Mr James TO, Chairman of the Subcommittee, said that the purpose of the Amendment Rules 2013 was to prescribe the respective position limits and reportable positions in respect of the newly launched HSI Volatility Index futures contract and the US Dollar vs Renminbi (Hong Kong) futures contract ("USD/CNH futures contract").

45. Mr James TO reported that the Subcommittee had held two meetings to scrutinize the Rules and members' discussion had focused mainly on the USD/CNH futures contract. The Subcommittee had expressed concern whether the proposed position limit of 2 000 open contracts (with a total contract sum of about US\$ 200 million) for spot month contract during the last five trading days for USD/CNH futures

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contracts would adversely affect the stability of the currency market and the banking system as a whole.

46. Mr James TO further reported that the Subcommittee had deliberated whether the upper limit of 2 000 open contracts should be lowered. The Securities and Futures Commission ("SFC") had advised that if the limit was lowered, some market participants might prefer the Chicago Mercantile Exchange ("CME"), which also set the limit at 2 000, to the Hong Kong Futures Exchange Limited, resulting in loss of business for local financial institutions. Furthermore, the trading of USD/CNH futures through CME was also settled in Hong Kong, but CME needed not report details of the relevant trading to regulatory authorities in Hong Kong. As such, there would be less market information, which might warrant precautions, available to the Administration. After taking note of the explanation from SFC, the Subcommittee agreed that it was more appropriate to maintain the proposed upper limit of 2 000. Mr TO added that the Subcommittee supported the Amendment Rules and would not propose any amendments.

47. The Chairman reminded Members that as the deadline for amending the Rules was 27 March 2013, the deadline for giving notice of amendments, if any, was Wednesday, 20 March 2013.

(c) Report of the Subcommittee on Residential Properties (First-hand Sales) Ordinance (Commencement) Notice

48. Mr CHAN Kam-lam, Chairman of the Subcommittee, reported that the Subcommittee had held two meetings to scrutinize the Commencement Notice and had completed its work.

49. Mr CHAN Kam-lam further said that the Subcommittee supported the implementation of the Residential Properties (First-hand Sales) Ordinance, which sought to further enhance the transparency and fairness of the sales arrangements of first-hand residential properties and enhance consumer protection. Some members, however, were concerned about the readiness on the part of the stakeholders (including the Administration, the Sales of First-hand Residential Properties Authority ("SRPA") and vendors) when the Ordinance commenced operation on 29 April 2013. They had sought information from the Administration on the progress of the preparation and contents of the guidelines to be issued under the Ordinance, and the recruitment of staff for SRPA. The Administration had advised that it was well prepared for the implementation of the Ordinance at the end of April 2013.

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50. Mr CHAN Kam-lam added that the Subcommittee would not propose any amendment to the Commencement Notice and would submit its written report in the following week.

51. The Chairman reminded Members that as the deadline for amending the Commencement Notice was 27 March 2013, the deadline for giving notice of amendments, if any, was Wednesday, 20 March 2013.

VIII. Position on Bills Committees and subcommittees

(LC Paper No. CB(2) 765/12-13)

52. The Chairman said that as at 14 March 2013, there were five Bills Committees, seven subcommittees under HC (i.e. four subcommittees on subsidiary legislation, one subcommittee on policy issues and two subcommittees on other Council business) and seven subcommittees on policy issues under Panels in action. Three subcommittees on policy issues under Panels were on the waiting list.

IX. Any other business

53. There being no other business, the meeting ended at 2:56 pm.

Council Business Division 2
Legislative Council Secretariat
20 March 2013