

**立法會**  
***Legislative Council***

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Date : 25 April 2013

From : Clerk to the Legislative Council

To : All Members of the Legislative Council

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**Council meeting of 15 May 2013**

**Proposed resolution under the Loans Ordinance**

The Secretary for Financial Services and the Treasury will move at the Council meeting of 15 May 2013 a proposed resolution under section 3 of the Loans Ordinance (Cap. 61). The proposed resolution is attached for Members' consideration. The President has directed that it be printed in the terms in which it was handed in on the Agenda of the Council.

2. The speech, in both Chinese and English, which the Secretary will deliver when moving the proposed resolution is also attached.

(Odelia LEUNG)  
for Clerk to the Legislative Council

Encl.

## **Loans Ordinance**

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### **Resolution**

(Under section 3 of the Loans Ordinance (Cap. 61))

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**Resolved that—**

- (a) the Government be authorized to borrow from any person from time to time for the purposes of the Bond Fund established by a resolution made and passed under section 29 of the Public Finance Ordinance (Cap. 2) such sums not exceeding in total \$200 billion or equivalent, being the maximum amount of all borrowings made under this paragraph that may be outstanding by way of principal at any time;
- (b) sums borrowed under paragraph (a) are to be credited to the Bond Fund; and
- (c) this Resolution is to replace the Resolution made and passed by this Council on 8 July 2009 and published in the Gazette as Legal Notice No. 169 of 2009.

**[DRAFT]**

**Speech by the Secretary for Financial Services and the Treasury  
at the Legislative Council Meeting on 15 May 2013**

**Loans Ordinance (Chapter 61)**

**Resolution to Raise the Maximum Amount of Borrowings  
under the Government Bond Programme**

President,

I move the motion on the Agenda pursuant to the Loans Ordinance.

2. This Resolution seeks to authorise the Government to borrow, under section 3 of the Loans Ordinance, a maximum amount of HK\$200 billion or equivalent that may be outstanding by way of principal under the Government Bond Programme.
3. To further promote the sustainable development of the local bond market, the Financial Secretary proposed in the 2013-14 Budget expanding the size of the Government Bond Programme from the current HK\$100 billion to HK\$200 billion so as to provide adequate room for the Programme to continue.
4. Pursuant to a resolution passed by this Council under section 3 of the Loans Ordinance on 8 July 2009, the prescribed maximum amount of borrowings under the Government Bond Programme is HK\$100 billion or equivalent at present. The outstanding amount of bonds issued under the Programme is projected at HK\$87 billion at end August 2013, leaving an issuance quota of HK\$13 billion. Such a size is not sufficient for further issuance of Government Bonds from September 2013 onwards, not to mention meeting the growing market demand and expanding to a scale eligible for inclusion in some of the most widely tracked global bond benchmark indices.
5. The Government proposes that the maximum amount of borrowings under the GBP be raised to HK\$200 billion to continue to operate the Government Bond Programme in a sustainable manner to

demonstrate to investors our determination to develop the local bond market. An enlarged Programme can cater for the increasing demand of local and international investors for high quality bonds issued by the public sector. This will help promote the sustainable development of the local bond market as a financial intermediation channel to complement the banking sector and equity market, thereby strengthening the competitiveness of Hong Kong as an international financial centre and asset management centre.

6. President, the Government Bond Programme has been instrumental to the development of the local bond market since its launch in July 2009. We have briefed the Financial Affairs Panel of this Council on 8 April and received its support. I invite Members to pass this Resolution. Thank you.

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