

**Panel on Financial Affairs**

**List of outstanding items for discussion**  
(as at 3 January 2013)

- |  | <b>Proposed<br/>timing for<br/>discussion at<br/>Panel meeting</b> |
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| <p><b>1. Briefing on the work of Hong Kong Monetary Authority ("HKMA")</b></p> <p>The Chief Executive of HKMA briefs the Panel on the work of HKMA on a regular basis. Such briefings are normally held in February, May and November each year.</p>   | <p>February 2013<br/>May 2013</p>                                  |
| <p><b>2. Budget of Securities and Futures Commission ("SFC") for the financial year of 2013 – 2014</b></p> <p>In line with the usual practice, SFC will brief the Panel on its budget for the coming financial year in February or March.</p>  | <p>February 2013</p>   |
| <p><b>3. Tax information exchange arrangements</b></p> <p>On 5 November 2012, the Administration briefed the Panel on its efforts in expanding the network of comprehensive avoidance of double taxation agreements ("CDTAs") and on the consultation outcome regarding tax information exchange agreements ("TIEAs").</p> <p>The Administration will brief the Panel on the detailed legislative proposals in relation to the exchange of tax information arrangements which aim to enhance the existing arrangements to the international standards such that Hong Kong is in a position to keep up with its commitment to expand the CDTA network whilst enabling Hong Kong to put into place a legal framework for entering into TIEAs with other jurisdictions where necessary. The Administration plans to introduce the legislative proposals into Legislative Council ("LegCo") in April 2013.</p> | <p>February or<br/>March 2013</p>                                  |

**4. Review of the Minimum Level of Relevant Income ("Min RI") for Mandatory Provident Fund ("MPF") Contribution**

The Panel discussed issues relating to the review of Min RI for MPF contributions at the meeting on 21 February 2011. The Panel met with deputations on 20 April 2011 to receive their views on the matter.

March 2013

The current Min RI is set at \$6,500. The Mandatory Provident Fund Schemes Authority ("MPFA") plans to brief the Panel on its proposed adjustment of Min RI, taking into account the Administration's announcement to revise the statutory minimum wage rate to \$30 per hour. If the Min RI is to be adjusted, the Administration plans to submit the subsidiary legislation to LegCo for positive vetting in the second quarter of 2013.

**5. Fees and charges review of Official Receiver's Office**

The Administration will consult the Panel on the proposed revision of the existing levels of Official Receiver's fees and charges for bankruptcy and company liquidation services. The Administration intends to introduce the legislative proposals into LegCo in 2013.

1st quarter of 2013

**6. Public consultation on improvement of corporate insolvency law**

On 7 November 2011, the Panel discussed the Administration's plan to roll out an exercise to improve the corporate insolvency law. The Administration plans to launch a public consultation in the first quarter of 2013. The Administration would like to consult Panel members on the legislative proposals.

1<sup>st</sup> quarter of 2013

**7. Proposed legislation on the regulation of Over-the-counter ("OTC") derivatives market**

The Administration will update the Panel on the legislative proposal to introduce a full-fledged regulatory regime for OTC derivatives market.

1<sup>st</sup> quarter of 2013

**8. Proposed legislation for regulation of sponsors**

The Administration will brief the Panel on the legislative proposal on regulation of sponsors.

1<sup>st</sup> or 2<sup>nd</sup> quarter of 2013

**9. Relocation of the printing workshop of Government Logistics Department**

The Administration will consult the Panel on the proposal to relocate the printing workshop to the Government Logistics Centre in Chai Wan. The Administration intends to submit the proposal to the Public Works Subcommittee and the Finance Committee ("FC") in May and June 2013 respectively.

April 2013

**10. Briefing by the Financial Secretary ("FS") on Hong Kong's latest overall economic situation**

The Panel has invited FS to brief the Panel and all other LegCo Members on macro economic issues on a regular basis since mid-1999. Such briefings are normally held in June and December each year.

June 2013

**11. Annual briefing on the work of the Financial Reporting Council ("FRC")**

In line with the usual practice, FRC will brief the Panel on the work of FRC in the past year and the work plan for the year ahead.

2<sup>nd</sup> quarter of 2013

**12. Proposed establishment of an independent Insurance Authority ("IA") – consultation conclusions on key legislative proposals**

The Administration consulted the Panel on the consultation conclusions and detailed proposals of the public consultation on the proposed establishment of IA on 4 July 2011. On 26 October 2012, the Administration launched a three-month public consultation on the key legislative proposals. The Administration will brief the Panel on the conclusions of the consultation.

2<sup>nd</sup> quarter of 2013

**13. Extension of a supernumerary Administrative Officer Staff Grade C Post for the establishment of an independent Insurance Authority and a Policyholders' Protection Fund**

The Administration consulted the Panel on the creation of the above post on 3 January 2011.

2<sup>nd</sup> quarter of 2013

The extension of the post is necessary to continue the

work related to the establishment of IIA and a Policyholders' Protection Fund. The Administration plans to submit the proposal for the extension of the post to the Establishment Subcommittee and FC in the second quarter of 2013.

**14. Proposed legislation for the introduction of a scripless securities market in Hong Kong**

The Administration will brief the Panel on the legislative proposal of introducing a scripless securities market in Hong Kong.

2<sup>nd</sup> quarter of 2013

**15. Withdrawal of MPF benefits**

MPFA has earlier conducted public consultation on the withdrawal arrangements of MPF benefits. It proposes to expressly provide scheme members with the option to opt to receive payment in stages; and add "terminal illness" as an additional ground for early withdrawal of MPF benefits.

To be confirmed

The proposals received public support and MPFA is in the process of formulating the implementation details. MPFA will consult the Panel in due course.

**16. Proposal of the Hong Kong Exchanges and Clearing Limited ("HKEx") to introduce after-hours futures trading**

When the Panel discussed the captioned subject on 10 July 2012, the Administration undertook to provide an information paper to the Panel before the introduction of the proposed after-hours futures trading in 2013, detailing the finalized arrangements proposed by HKEx regarding after-hours futures trading. The Panel would then decide whether and how to follow up the issue. The Administration's paper was issued vide LC Paper No. CB(1)362/12-13 on 2 January 2013. According to the paper, it is HKEx's plan to submit the relevant trading and clearing rule amendments for implementing the proposal for approval by SFC in January 2013 and to commence the proposal in March 2013.

The Administration has provided an information paper.

**17. Duration of lunch break under the extended trading hours of Hong Kong securities market**

Since 7 March 2011, HKEx has implemented a two-phase extension of the trading hours of its securities and derivatives market by 1.5 hour to increase the overlap of the trading hours with the Mainland's and to strengthen the competitiveness of HKEx with its regional competitors. Under the extended trading hours, the morning trading session was advanced by 30 minutes. The lunch break was shortened from two to 1.5 hours with effect from 7 March 2011 and further shortened to one hour from 5 March 2012.

Information paper to be provided by the Administration

At the meeting on 16 October 2012, Hon Christopher CHEUNG expressed concern on the impact of the shortened lunch break on market practitioners and suggested that the Panel should discuss the issue in due course. The Administration has been invited to provide an information paper on the matter. The Panel would decide whether and how to follow up the issue in due course.