

Panel on Financial Affairs

List of outstanding items for discussion
(as at 28 November 2012)

- | | | Proposed
timing for
discussion at
Panel meeting |
|---|--|--|
| 1. Subsidiary legislation for implementation of the new Companies Ordinance ("CO") | | |
| | The Administration will consult the Panel on the subsidiary legislation proposed to be made under the new CO. The subsidiary legislation will provide for various administrative, technical and procedural matters essential to the implementation of the new company law. | January 2013 |
| 2. Proposed retention of supernumerary directorate posts to deal with matters concerning companies- and bankruptcy-related legislation | | |
| | The Administration will consult the Panel on the proposed retention of supernumerary directorate posts to deal with matters concerning the implementation of the new CO and the review of bankruptcy-related provisions. The Administration aims to submit the staffing proposal to the Establishment Subcommittee ("ESC") in February 2013 and to the Finance Committee ("FC") for consideration in May 2013. | January 2013 |
| 3. The 10th Replenishment of the Asian Development Fund | | |
| | The Administration will brief the Panel on Hong Kong's proposed contribution to the 10th Replenishment of the Asian Development Fund. The Administration plans to submit the financial proposal to FC in February 2013. | January 2013 |
| 4. Briefing on the work of Hong Kong Monetary Authority ("HKMA") | | |
| | 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. | February 2013
May 2013 |
| 5. Legislative Proposals on Exchange of Tax Information | | |

**Proposed
timing for
discussion at
Panel meeting**

Arrangements

On 5 November 2012, the Administration briefed the Panel on the Administration's efforts in expanding the network of comprehensive avoidance of double taxation agreements ("CDTAs") and on the latest developments with regard to exchange of tax information arrangements.

February or
March 2013

Thereafter, the Administration will consult the Panel on the detailed legislative proposals, which aim to enhance the exchange of tax information arrangement such that Hong Kong is in a position to keep up with its commitment to expand the CDTA network with its trading and investment partners, whilst enabling Hong Kong to put into place a legal framework for entering into tax information exchange agreements with other jurisdictions where necessary. The Administration plans to introduce the legislative proposals into Legislative Council ("LegCo") in April 2013.

6. 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 the second quarter of 2013.

1st quarter of
2013

7. Budget of Securities and Futures Commission ("SFC") for the financial year of 2013 – 2014

In line with the usual practice, SFC will brief the Panel on its budget for the coming financial year in February or March.

1st quarter of
2013

8. Public consultation on modernisation of corporate insolvency law

On 7 November 2011, the Panel discussed the Administration's plan to roll out an exercise to modernise the corporate insolvency law. Public consultation on the exercise will be launched in the fourth quarter of 2012 or the first quarter of 2013. The Administration would like

1st quarter of
2013

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to consult Panel members on the legislative proposals.

9. 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 and the maximum RI levels 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.

1st quarter of
2013

The current Min RI is set at \$6,500. The Administration may need to brief the Panel on proposed adjustment to the Min RI subsequent to the outcome of the review of the statutory minimum wage rate. 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.

10. 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.

1st quarter of
2013

11. Proposed legislation for regulation of sponsors

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

1st or 2nd quarter
of 2013

12. 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 FC in May and June 2013 respectively.

April 2013

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

**Proposed
timing for
discussion at
Panel meeting**

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

14. 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.

2nd quarter of
2013

15. Proposed establishment of an independent Insurance Authority ("IIA") – 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 IIA 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.

2nd quarter of
2013

16. 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.

2nd 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 ESC and FC in the second quarter of 2013.

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

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

2nd quarter of
2013

18. Withdrawal of MPF benefits

The Mandatory Provident Fund Schemes Authority ("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.

19. 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.

Information
paper to be
provided by the
Administration
in December
2012

20. 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

Information
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with effect from 7 March 2011 and further shortened to one hour from 5 March 2012.

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.

Council Business Division 1
Legislative Council Secretariat
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