

Panel on Financial Affairs

List of outstanding items for discussion
(as at 2 April 2014)

**Proposed timing
for discussion at
Panel meeting**

1. 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.

May 2014

2. Mandatory Provident Fund Schemes (Amendment) Bill 2014

The Administration will brief the Panel on the major proposals in the Amendment Bill. They include proposals on withdrawal of Mandatory Provident Fund ("MPF") benefits and measures to facilitate trustees' compliance with statutory obligations to provide greater scope for reduction of MPF fee. The Administration plans to introduce the Bill into the Legislative Council ("LegCo") in July 2014.

May 2014

3. Public consultation on the reform of the regulatory regime for listed entity auditors

The Administration will brief the Panel on the public consultation on legislative proposals to enhance the independence of the regulatory regime for listed entity auditors. The Administration plans to introduce the relevant legislative proposals into LegCo in the 2014-2015 legislative session.

May 2014

4. 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.

May 2014

**Proposed timing
for discussion at
Panel meeting**

5. 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 2014

6. Consultation on MPF default/core fund proposal

The Administration will consult the Panel on the proposal regarding the introduction of a default/core fund with fee control. The fund is based on a long term investment strategy to balance investment risk and return with a view to facilitating the choice of fund by MPF scheme members.

June 2014

7. Consultation conclusions of corporate insolvency law improvement exercise

The subject was last discussed at the Panel on 3 May 2013. The Administration has completed a public consultation in July 2013 and would like to brief members on the consultation conclusions and the timetable of the legislative exercise. The Administration plans to introduce the relevant legislative proposals into LegCo in the 2014-2015 legislative session.

June 2014

8. Review of abscondee regime under the Bankruptcy Ordinance (Cap. 6)

The Administration will brief the Panel on the review of the "abscondee" regime (i.e. bankrupts who have left Hong Kong and cannot be contacted) under the Bankruptcy Ordinance (Cap. 6) and possible options to improve the regime.

June 2014

9. Proposed amendment of the Banking (Capital) Rules

**and Banking (Disclosure) Rules and the making of a
set of Banking (Liquidity) Rules**

The Administration proposes to amend the Banking (Capital) Rules and Banking (Disclosure) Rules to introduce the Basel III capital buffers and higher capital requirements for banks designated as systemically important either globally or domestically, and to introduce a set of Banking (Liquidity) Rules to implement the Basel III liquidity requirements. The Administration plans to introduce the relevant legislative amendments and proposal into LegCo in the 2014-2015 legislative session.

July 2014

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

Since 7 March 2011, Hong Kong Exchanges and Clearing Limited ("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.

To be confirmed

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.

At the meeting on 4 November 2013, Hon WONG Kwok-hing reiterated the concern of practitioners of the securities industry about the impact of extended trading hours on their operation and suggested scheduling a discussion on the subject at the regular meeting.

The Administration has provided an information paper

prepared by HKEx on extension of trading hours in the securities market, which was circulated to members on 20 November 2013 (LC Paper No. CB(1)356/13-14(01)).

11. Briefing on the work of the Financial Dispute Resolution Centre

The Financial Dispute Resolution Centre Limited was set up in November 2011 as a non-profit making company limited by guarantee acting as an independent organization to assist financial institutions and their individual customers in resolving monetary disputes through mediation and arbitration. Its set-up costs and operating costs in the first three years commencing from January 2012 were provided by the Administration, HKMA and SFC. The Financial Dispute Resolution Centre ("FDRC") formally commenced operation in June 2012.

To be confirmed

At the work plan meeting of the Panel held on 30 October 2013, the Chairman suggested that the Administration should report to the Panel the work of FDRC. Hon Christopher CHEUNG expressed concerns about the future funding arrangement of FDRC and possible cost burden on the financial industry, as well as the present arrangement for FDRC to report even successfully resolved cases to SFC/HKMA, on which the regulators might take disciplinary actions against issues of non-compliance by the financial institutions concerned.

According to the Administration, it is reviewing the future mode of funding for FDRC. The Administration is requested to brief the Panel on the work of FDRC and its funding arrangement when appropriate.