

立法會
Legislative Council

LC Paper No. CB(2)1218/13-14
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by the Administration)

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Panel on Security

**Minutes of special meeting
held on Monday, 20 January 2014, at 8:30 am
in Conference Room 1 of the Legislative Council Complex**

- Members present** : Hon IP Kwok-him, GBS, JP (Chairman)
Hon James TO Kun-sun (Deputy Chairman)
Hon CHAN Kam-lam, SBS, JP
Hon Emily LAU Wai-hing, JP
Hon Cyd HO Sau-lan
Dr Hon LAM Tai-fai, SBS, JP
Hon CHAN Kin-por, BBS, JP
Hon Paul TSE Wai-chun, JP
Hon Alan LEONG Kah-kit, SC
Hon WONG Yuk-man
Hon Claudia MO
Hon NG Leung-sing, SBS, JP
Hon Frankie YICK Chi-ming
Hon YIU Si-wing
Hon MA Fung-kwok, SBS, JP
Hon Charles Peter MOK
Hon CHAN Chi-chuen
Hon LEUNG Che-cheung, BBS, MH, JP
Hon Kenneth LEUNG
Hon KWOK Wai-keung
Hon Dennis KWOK
Hon Christopher CHEUNG Wah-fung, JP
Hon CHUNG Kwok-pan
Hon Christopher CHUNG Shu-kun, BBS, MH, JP
- Member attending** : Hon WONG Kwok-hing, BBS, MH

**Members
absent** : Hon WONG Kwok-kin, BBS
Hon LEUNG Kwok-hung
Hon Michael TIEN Puk-sun, BBS, JP
Dr Hon Kenneth CHAN Ka-lok
Dr Hon Elizabeth QUAT, JP

**Public Officers
attending** : Item I

The Administration

Mr LAI Tung-kwok, SBS, IDSM, JP
Secretary for Security

Mr Joshua LAW, JP
Permanent Secretary for Security

Mr John LEE, PDSM, PMSM, JP
Under Secretary for Security

Ms Mimi LEE, JP
Deputy Secretary for Security 1

Miss Shirley YUNG
Deputy Secretary for Security 2

Ms Maggie WONG
Deputy Secretary for Security 3

Mrs Erika HUI, JP
Commissioner for Narcotics

Miss Polly KWOK
Administrative Assistant to Secretary for Security

Mr Cassius LAU
Political Assistant to Secretary for Security

Item II

Independent Commission Against Corruption

Mr Simon PEH Yun-lu, SBS, IDSM
Commissioner

Mr Ryan WONG Sai-chiu, IDS
Head of Operations

Ms Julie MU Fee-man
Director of Community Relations

Mr TSE Man-shing
Director of Corruption Prevention

Clerk in attendance : Miss Betty MA
Chief Council Secretary (2) 1

Staff in attendance : Mr Stephen LAM
Assistant Legal Adviser 11

Mr Raymond LAM
Senior Council Secretary (2) 7

Ms Kiwi NG
Legislative Assistant (2) 1

Action

- I. Briefing by the Secretary for Security on the Chief Executive's 2014 Policy Address**
(LC Paper No. CB(2)699/13-14(01), the 2014 Policy Address booklet and the 2014 Policy Agenda booklet)

Secretary for Security ("S for S") briefed Members on the initiatives of the Security Bureau ("SB") in 2014, as set out in the Administration's paper.

(Post-meeting note: The speaking note of S for S was issued to members vide LC Paper No. CB(2)728/13-14(01) on 20 January 2014.)

Action

Anti-drug efforts

2. Mr WONG Kwok-hing expressed concern about media reports about the sale of cannabis seeds through online shopping and postal order. He asked how the problem was addressed by the Administration.

3. S for S responded that the Administration was concerned about the sale of cannabis seeds and other drugs through such means, which was unlawful. The Narcotics Division was addressing the problem through publicity and announcements of public interest. The Police was combating such crime through cyber patrol, gathering of intelligence and maintaining close communication with the law enforcement agencies ("LEAs") of other jurisdictions, as such activities usually involved cross-boundary crime.

4. Referring to paragraph 13 of the Administration's paper, Mr KWOK Wai-keung cast doubt as to whether the situation of drug abuse had really improved, given that the problem of hidden drug abuse was serious. He expressed concern whether there would be any increase in customs manpower with the establishment of a special task force in the Customs and Excise Department ("C&ED") to combat the supply of drugs. He also expressed concern that there was a general shortage of firemen, ambulancemen, customs and immigration manpower in the Fire Services Department ("FSD"), C&ED and the Immigration Department ("ImmD") respectively. He considered that the Administration should review whether the duty roster and vacation leave arrangements in these government departments were compliant with labour legislation in Hong Kong.

5. S for S responded that while the situation of drug abuse had improved as a result of the joint efforts of various sectors, the Administration noted that there was a shift towards hidden drug abuse. The Action Committee Against Narcotics had thus launched a public consultation exercise on the RESCUE Drug Testing Scheme. He said that the establishment of a special task force in C&ED was aimed at combating the supply of drugs at source.

Immigration clearance for visitors and co-location of customs and immigration facilities

6. Mr WONG Kwok-hing sought information on the Administration's measures in coping with the rapid increase in the number of Mainland visitors and addressing the long waiting time of visitors for immigration clearance at boundary control points.

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7. S for S responded that additional immigration manpower had been deployed to cope with the increased visitor volume during weekends. ImmD had launched a mobile application providing, among other things, information on waiting time at land boundary control points.

8. Mr CHUNG Kwok-pan and Mr YIU Si-wing expressed concern whether the facilities at boundary control points would be expanded to cope with the projected increase of visitor arrivals to 70 million by 2017 and further to 100 million thereafter. S for S responded that new control points would be constructed at Liantang/Heung Yuen Wai, the Guangzhou-Shenzhen-Hong Kong Express Rail Link ("XRL") and the Hong Kong-Zhuhai-Macao Bridge. The Administration would also increase its capacity in handling visitors through constructing more e-Channels. It would extend e-Channels to Mainland visitors, which accounted for about 75% of the total number of visitors, following the issue of electronic exit-entry permits ("EEPs") by the Mainland authorities. This would reduce the average immigration clearance time for a Mainland visitor from about 75 seconds to about 20 seconds. He added that besides the construction of more control points, immigration manpower would also be increased.

9. Mr YIU Si-wing asked about the timetable for extension of e-Channels to Mainland visitors with electronic EEPs. He expressed concern whether publicity would be launched to encourage Mainland visitors to use such facilities.

10. S for S responded that the extension of e-Channels to Mainland visitors with electronic EEPs, which was originally planned for introduction by the end of 2013, was expected to be implemented in early 2014 starting from visitors from Guangdong Province. Publicity would be launched by the Administration to promote the use of such facilities.

11. Mr WONG Kwok-hing enquired about the progress of co-location arrangement for customs and immigration facilities at the control point for XRL.

12. S for S responded that the co-location arrangement at the control point concerned, which was part and parcel of the XRL project spearheaded by the Transport and Housing Bureau, was still under discussion with the Mainland side.

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Departmental quarters for disciplined services

13. While noting that over 2 200 departmental quarters would be provided to six disciplined services by 2020, Mr CHAN Kam-lam expressed concern about the strong demand from the staff of disciplined services for public rental housing. He asked whether the Administration had any plans to increase the supply of public rental housing for such staff.

14. S for S responded that departmental quarters were provided to married staff of six disciplined services. The relevant government departments were actively collaborating to expedite the progress of eight construction projects with a view to providing over 2 200 units to the six disciplined services by 2020. The Civil Service Bureau had been discussing with the staff unions on the provision of public rental housing to eligible retired personnel of the disciplined services.

15. Dr LAM Tai-fai asked about the number of disciplined services personnel on the waiting list for departmental quarters, the average waiting time and the number of new quarters to be provided in each year. He also asked why about half of the quarters would be provided to eligible police officers.

16. S for S responded that about 28 000 disciplined services personnel were eligible for departmental quarters and there were currently about 22 000 departmental quarters for disciplined services. The average waiting time of rank and file disciplined services personnel for a departmental quarter was about four to five years, which was undesirable. The Chief Executive had highlighted in his 2014 Policy Address the plan to expedite departmental quarters projects to provide over 2 200 units by stages by 2020. He said that the number of personnel in the Police was about half of the total number of personnel in the disciplined services and thus half of the new quarters would be provided to eligible police officers.

Cyber crime

17. Mr Charles MOK said that with the recent establishment of the Cyber Security Centre, there were concerns among members of the public about their privacy and whether there was any monitoring of the public. Noting that the existing Technology Crime Division of the Police would be upgraded to a new Cyber Security and Technology Crime Bureau in 2014, he said that the Police should increase the transparency of its work in cyber security.

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18. Under Secretary for Security ("US for S") responded that the upgrading exercise sought to strengthen the Police's capability to protect information systems of critical infrastructure and to prevent and combat cyber crime. In collaboration with relevant stakeholders, the Cyber Security Centre would monitor the flow but not the content of data traffic of major critical infrastructure systems. There were internal guidelines on such duties, which were monitored by a chief inspector of the Police. Besides maintaining communication with associations of internet service providers, the Police would also launch publicity programmes in collaboration with the Office of the Government Chief Information Officer.

19. Mr CHAN Kin-por expressed concern that the harm of cyber bullying and intimidation was no less than physical bullying and intimidation. He asked whether measures would be adopted by the Cyber Security and Technology Crime Bureau against such act.

20. US for S responded that the Police would carry out cyber patrol and take actions against acts in breach of the law. In the past, the Police had taken actions against cyber intimidation of a criminal nature. He pointed out that whether there was sufficient evidence for instituting prosecution in a case would depend on the merits and circumstances of the case. As regards cyber bullying which did not amount to an offence under the law, the Police was tackling the problem through publicity and education.

21. Mr CHAN Chi-chuen expressed concern whether there would be any increase in manpower resources along the upgrading of the Police's Technology Crime Division to a Cyber Security and Technology Crime Bureau. He asked whether there would be any cyber monitoring by the latter.

22. Referring to paragraph 4 of the Administration's paper, Mr KWOK Wai-keung expressed concern whether additional manpower would be provided along the upgrading of the Technology Crime Division of the Police to a Cyber Security and Technology Crime Bureau.

23. Mr MA Fung-kwok expressed concern that the SNOWDEN incident revealed that there had been unauthorised access by some foreign governments to the information systems of Hong Kong. He asked how the upgrading of the Technology Crime Division to Cyber Security and Technology Crime Bureau would enhance cyber security in Hong Kong.

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24. S for S stressed that the Cyber Security and Technology Crime Bureau would only be involved in monitoring the flow but not the content of data traffic of major critical infrastructure systems. There was no question of cyber monitoring by the Cyber Security and Technology Crime Bureau. US for S added that the upgrading exercise sought to strengthen the Police's capability to protect information systems of critical infrastructure and to prevent and combat technology crimes and cyber attacks, through the allocation of more resources and manpower as well as cooperation with overseas LEAs.

25. The Deputy Chairman asked whether there had been any lawful intrusion by the Police into non-government information systems when combating cyber crimes, and if so, whether the Police would strengthen its capability in such area with its establishment of Cyber Security and Technology Crime Bureau. US for S responded that any action taken by the Police would be in accordance with the law. The Deputy Chairman requested the Administration to provide a written response.

Admin

Implementation of the recommendations of the Financial Action Task Force ("FATF")

26. Mr Kenneth LEUNG asked about the progress of implementation of the recommendations of FATF. He asked how the Administration would implement FATF's recommendations regarding the establishment by statute of a system to detect the physical cross-boundary transportation of currency and bearer negotiable instruments. He expressed concern that according to statistics released by the Joint Financial Intelligence Unit, cases of money laundering which involved insurance policies had increased in the past two years.

27. Commissioner for Narcotics responded that insofar as anti-money laundering work in the financial sector was concerned, the Financial Services and the Treasury Bureau ("FSTB") was taking the lead to implement relevant FATF recommendations on an ongoing basis. Further implementation details of the recommendations could be provided by FSTB, if necessary. Regarding the physical cross-boundary transportation of currency and bearer negotiable instruments, visitors would be required to make declarations or disclosure at control points. The Administration would consult the Panel when the implementation details were available.

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Fraud relating to employees compensation insurance

28. Mr CHAN Kin-por expressed concern that employees' compensation insurance had incurred a total loss of about \$2.6 billion in the past 10 years mainly because of organised fraud. He asked how the Administration would combat such organised crime.

29. US for S responded that insurance fraud of a serious nature was handled by the Police's Commercial Crime Bureau. The investigation of organised insurance fraud usually involved a longer period of time because of the need to investigate a number of cases straddling a few years and take statements from a large number of people. Besides prosecution under the Crimes Ordinance (Cap. 200), the property and proceeds involved in serious cases might be frozen or confiscated under the Organized and Serious Crimes Ordinance (Cap. 455).

Unified screening mechanism for processing non-refoulement claims ("USM")

30. Mr Dennis KWOK asked about the timetable for implementation of USM and the progress of provision of training to duty lawyers in relation to USM.

31. S for S responded that ImmD had already updated its guidelines and forms in relation to USM. The Duty Lawyer Service ("DLS") was expanding its office and strengthening its manpower to tie in with the implementation of USM. He understood that the Law Society of Hong Kong and the Hong Kong Bar Association was working on the provision of training for duty lawyers in relation to USM and it was hoped that the training courses would be launched soon. He envisaged that USM would be introduced in the first quarter of 2014 the earliest.

Reduction of the Frontier Closed Area ("FCA")

32. Mr CHUNG Kwok-pan asked whether the 1 450 hectares of land to be released from the reduction of FCA would be government land or private land. S for S responded that the land to be released would comprise government land and private land. To his knowledge, development plans had been drawn up in respect of the land to be released and the development plans were being implemented by the relevant policy bureaux and government departments by stages.

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Assistance to Hong Kong residents in distress abroad

33. Mr YIU Si-wing expressed concern about how the Administration would strengthen its assistance to Hong Kong residents in distress abroad.

34. Mr CHAN Chi-chuen expressed concern about the progress of the Administration's follow-up work on the Manila hostage-taking incident. He asked whether sanctions would be imposed on the Philippines as there had not been any substantial progress for more than one month since the announcement by the Chief Executive that necessary actions would be taken unless substantial progress was made within one month.

35. S for S responded that the Administration had done a lot in assisting Hong Kong residents in distress outside Hong Kong. It was promoting the online "Registration of Outbound Travel Information", which would facilitate Hong Kong residents abroad to receive latest outbound travel information from the Administration. It would also facilitate the Administration's assessment of the number of Hong Kong residents in the country or city concerned. He added that the Manila hostage-taking incident was a complicated one. The Administration would continue its discussion with the Philippines and update the victims and their families on the latest position when there was further development.

Provision of training and equipment to law enforcement officers

36. Mr NG Leung-sing commended the Security Bureau for its work in maintaining the security of Hong Kong. Noting that police officers had been sent to Indonesia and the Philippines for taking statements and other work related to specific cases, he asked whether appropriate training and equipment were provided to law enforcement officers for coping with changes in operational needs.

37. S for S responded that appropriate training was provided to frontline law enforcement officers and their equipment were constantly updated, such as through the increased deployment of advanced information technology, to cope with changes in operational needs. US for S quoted the Police as an example and said that appropriate training, which was constantly reviewed, and counselling service were provided to police officers.

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Police's handling of public order events

38. Mr CHAN Kam-lam asked whether more manpower resources would be provided to the Police for coping with the anticipated increase in public order events in the year ahead.

39. S for S responded that the resources sought for the Police in the next financial year would be announced in the Controlling Officer's Report. He stressed that while the Police would facilitate lawful and peaceful public order events, all public order events should be held in peaceful and orderly manner and in compliance with the law. The Police would not tolerate unlawful acts and would, in the light of the prevailing circumstances, take decisive measures against any illegal behaviour. He pointed out that the Court of Final Appeal had clearly stated in a recent judgment that those who purported to exercise the right to freedom of expression must not abuse such right and must also respect the rights of others. The means to achieve a legitimate end must be lawful.

40. Ms Cyd HO said that Mr HAO Tiechuan of the Liaison Office of the Central People's Government in the Hong Kong Special Administrative Region ("the Liaison Office") had recently commented that if the situation in Hong Kong became uncontrollable, the Hong Kong Special Administrative Region Government ("HKSARG") might sought assistance from the Hong Kong Garrison of the Chinese People's Liberation Army ("the Garrison"). She considered that Mr HAO Tiechuan should not make such a comment. She asked about the situations under which assistance would be sought from the Garrison, given that assistance had not been sought from the Garrison in relation to the demonstrations on 1 July 2003 and during the time when the Sixth Ministerial Conference of the World Trade Organization was held in Hong Kong in 2005.

41. Mr NG Leung-sing considered that all residents in Hong Kong, including Mr HAO Tiechuan, should not be deprived of the freedom of speech.

42. S for S responded that the Police possessed the capability and experience in handling sizeable events, including sizeable public order events. Although the Basic Law provided that HKSARG might, when necessary, ask the Central People's Government for assistance from the Garrison in the maintenance of public order, he did not see any need for the Garrison to provide such assistance. He had full confidence in the Police's capability in maintaining internal security in Hong Kong.

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43. Mr MA Fung-kwok asked whether the Police had assessed the police manpower needs for handling large scale public order events, such as Occupy Central, in which some acts might be unlawful. S for S responded that all public meetings and public processions should be held in compliance with the law. The Police would, in the light of the prevailing circumstances, take decisive measures against any illegal behaviour, breach of social peace or public order in a bid to maintain public order and ensure public safety.

Introduction of the Registered Fire Engineer ("RFE") Scheme

44. Referring to paragraph 11 of the Administration's paper, Mr Frankie YICK asked whether licence applicants who engaged RFEs for fire safety certification would still be required to seek approval from FSD for the issue of a licence.

45. Deputy Secretary for Security 2 explained that under the proposed scheme, a RFE would be involved in risk assessment and drawing up fire safety requirements, after which FSD would be responsible for compliance inspection and the issue of a licence.

46. The Chairman expressed concern about the long waiting time involved in seeking the approval of FSD for improvement works carried out under Operation Building Bright. He asked whether the introduction of the RFE Scheme would shorten such waiting time. S for S responded that FSD was carrying out the work concerned with the Buildings Department. Both departments were jointly reviewing the manpower needs for carrying out works relating to Operation Building Bright.

Admission of talents

47. Referring to paragraph 22 of the Administration's paper, Mr Frankie YICK expressed concern that he had previously submitted an application for the admission of a Mainland professional who specialised in shipping management. The application was initially rejected by ImmD on the ground that relevant courses were offered by local universities. It was not until his submission of further information indicating the difference between the curricula concerned that the application was approved, by which time the professional concerned had already accepted another job offer.

Action

48. S for S responded that it was the Administration's policy that the admission of Mainland talents and professionals was confined to those who possessed skills and knowledge not readily available or in shortage in Hong Kong. There might be some areas which required provision of further information or clarification before a decision could be made on whether admission was to be granted. He welcomed Members to provide information and views on local trades where there was an acute shortage of professionals.

Abuse of foreign domestic helpers ("FDHs") by their employers

49. Ms Emily LAU said that the recent incident of abuse of a FDH by her employer had aroused grave concern both within Hong Kong and among the international community. She considered that the Administration should convey the clear message to FDHs, the people of Hong Kong and the international community that there was a sound regime and legislation for protection of FDHs in Hong Kong. She asked whether the Administration had identified any weaknesses in the existing regime for protection of FDHs.

50. S for S responded that both the Administration and the general public in Hong Kong were very concerned about the case. The Administration recognised the contribution of over 300 000 FDHs to the families of Hong Kong. The Administration would try its best to investigate into the case concerned. The Police had sent four officers to Indonesia for investigation of the case concerned together with two other officers of the Labour Department who conducted investigation of allegations relating to breach of labour legislation and such arrangement was unprecedented. He said that booklets in the native language of FDHs were distributed to all newly arrived FDHs to inform them of their rights and the channels for lodging a complaint.

51. The Chairman expressed deep concern about the recent case of abuse of a FDH by her employer. He considered that the Administration should investigate into the case concerned and inform members of the outcome as well as the policy concerned. S for S responded that the Police would try its best to investigate into the case and update the Panel and the public in due course.

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Establishment of new police districts

52. Mr LEUNG Che-cheung asked whether there were any plans for establishment of new police districts to tie in with the development of new towns. He expressed concern that there was originally a plan for construction of a police station in Tin Shui Wai North but the plan was subsequently shelved. US for S responded that whenever any new town was developed or any new facility was built, the Police would study the policing need thus arisen. Where necessary, the new facility might be included in the police district concerned. Where a new town was developed, the Police would monitor the growth in population and facilities as well as the development plan of the new town concerned. He added that besides area coverage, other factors including population size, the distribution of population in the area, prevailing infrastructural development in the district and operational needs were also taken into consideration in determining the need for establishment of a police district.

[To allow sufficient time for discussion, members agreed that the meeting be extended to 10:45 am.]

II. Briefing by the Commissioner, Independent Commission Against Corruption on the Chief Executive's 2014 Policy Address

(LC Paper No. CB(2)699/13-14(02), the 2014 Policy Address booklet and the 2014 Policy Agenda booklet)

53. Commissioner, Independent Commission Against Corruption ("C/ICAC") briefed Members on the paper provided by the Independent Commission Against Corruption ("ICAC") regarding its initiatives in the year ahead.

(Post-meeting note: The speaking note of C/ICAC was issued to members vide LC Paper No. CB(2)728/13-14(02) on 20 January 2014.)

Public confidence in the work of ICAC

54. Mr WONG Kwok-hing said that allegations relating to a former Commissioner of ICAC and a former Chief Executive ("CE") had undermined the confidence of members of the public in ICAC. It was time for ICAC to rebuild public confidence in its work. He asked

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whether ICAC had drawn up guidelines and standards regarding official entertainment as well as the receipt and presentation of gifts and souvenirs.

55. Mr Paul TSE expressed concern that despite incidents relating to a former Commissioner of ICAC, a former Chief Secretary for Administration and a former CE, no reform had been introduced in relation to the checks and balances and the criteria for appointment of Commissioner of ICAC.

56. Mr WONG Yuk-man expressed concern that he could not see any determination on the part of CE or C/ICAC to address issues relating to official entertainment and souvenirs.

57. Mr NG Leung sing expressed concern that public confidence might be affected by some former employees of ICAC continuously making negative remarks on ICAC.

58. C/ICAC responded that although public confidence in ICAC had suffered a blow in 2013, the incidents concerned were isolated ones and the overall corruption scene in Hong Kong had not worsened. He pointed out that the Government had promulgated new guidelines on the bestowal of gifts and meals on 17 January 2014, which set out clear guidelines and standards on the subject.

59. Mr Kenneth LEUNG queried why the percentage of respondents in the ICAC Annual Survey ("the Survey") who were willing to report corruption had increased to 80.6% in 2013, although the Corruption Perception Index of Hong Kong had dropped. He considered that ICAC should provide information on how the Survey was conducted.

60. Ms Emily LAU expressed concern that the decrease in the number of corruption reports might be due to a general lack of confidence in ICAC and hence less people were willing to report corruption. She asked whether ICAC would adopt measures to increase the confidence of members of the public in ICAC.

61. C/ICAC responded that the information provided in paragraph 3 of ICAC's paper were the preliminary findings of the Survey, which was conducted by a professional organisation. The Survey revealed that the confidence of members of the public in ICAC had remained at about the same level. Further details about the Survey would be published later when available.

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62. Mr CHUNG Kwok-pan expressed concern that although corruption complaints received by ICAC had decreased and the Survey revealed that the willingness of respondents to report corruption had increased, the American Heritage Foundation had lowered the rating for corruption in Hong Kong. He asked whether ICAC had sought to explain the actual corruption scene in Hong Kong to the international community.

63. C/ICAC responded that the rating made by the American Heritage Foundation in respect of "freedom from corruption" was largely based on the rating made by Transparency International which consolidated the comments supplied by 13 international organisations and the methodology adopted was different from that adopted in the Survey, which incorporated relevant questions such as whether the respondent had come across any corruption case in the past 12 months. He had explained the actual corruption scene in Hong Kong during his recent visit to the United States of America and would do so in his forthcoming visit to Europe.

Management of files and records by ICAC

64. Referring to paragraph 22 of ICAC's paper, Ms Cyd HO welcomed the setting up of an Internal Audit Unit in ICAC. She said that the proper management of files and records could serve as a means of internal monitoring, as it would prevent the destruction of records about non-compliance. She expressed concern that ICAC records aged more than 40 years were not transferred to the Public Records Office. She said that old records could be damaged, if kept under inappropriate temperature and humidity.

65. C/ICAC responded that old records of ICAC were kept under controlled room temperature and humidity. He said that ICAC had held a number of meetings with the Public Records Office and finalised its policy on the management of records. Ms Cyd HO requested ICAC to provide more information on the management of records in ICAC.

ICAC

66. The Deputy Chairman expressed concern about organised corruption in the repair and maintenance of buildings. He said that such corruption, which involved huge amount of money, was usually organised and involved members of owners' corporations ("OCs"). In many cases, the OCs concerned had already passed the resolution concerned and awarded a repair and maintenance contract before some owners found the contract excessively expensive. He considered that ICAC should step up its investigation and preventive work in such area.

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Corruption in the finance and insurance sub-sector

67. Referring to paragraph 19 of ICAC's paper regarding corruption in the finance and insurance sub-sector, Mr Christopher CHEUNG asked whether there was any increase in the number of Mainland-funded listed companies under investigation and whether trading in stocks of the 35 listed companies under investigation had been suspended. He expressed concern about possible insider trading activities, if trading in stocks of such listed companies under investigation was not suspended.

68. Head of Operations, ICAC ("H/Ops") responded that there were ongoing enquiries involving 35 listed companies, among which 18 were Mainland-funded companies. The high percentage of Mainland-funded companies involved was mainly due to the increasing number of Mainland-funded companies listed in Hong Kong. He said that although the decision regarding whether to suspend stock trading was not determined by ICAC, ICAC would inform the Hong Kong Exchanges and Clearing Limited and the Securities and Futures Commission of the actions it had taken against a listed company.

Staff morale and manpower deployment

69. Ms Emily LAU expressed concern about the effect of the incidents regarding a former Commissioner of ICAC and a former CE on the staff morale in ICAC, especially those of the Operations Department. C/ICAC responded that the incidents had no material impact on staff morale. H/Ops added that the Operations Department had adopted ongoing measures to relieve the work pressure on staff.

70. Ms Claudia MO expressed concern that property developers usually possessed more than 50% of ownership shares of property developments and thus could play a dominating role in OCs. She considered that ICAC should consider introducing measures to support small owners.

71. Noting that the total number of corruption complaints received by ICAC had dropped by 33% in 2013, Mr YIU Si-wing asked whether the time spent on investigation of corruption cases had decreased and whether the deployment of ICAC manpower had been adjusted accordingly.

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72. H/Ops responded that as corruption complaints were becoming more complex, the time spent in the investigation of corruption complaints had not decreased with the decrease in the number of corruption cases.

Corruption relating to government works projects

73. Referring to paragraph 9 of ICAC's paper, Mr YIU Si-wing asked about the number of corruption complaints relating to government works projects. He also asked about the measures adopted by ICAC against such corruption.

74. Director of Corruption Prevention responded that staff members of ICAC were deployed to observe the assessment and award of tenders for major government works projects, such as the Shatin-Central Link and the Kai Tak Cruise Terminal. Integrity management workshops were conducted for site supervisory staff, consultants and contractors involved in public housing construction with a view to enhancing their integrity standard and awareness about corruption prevention.

Other issues

75. Mr Kenneth LEUNG asked whether it was in breach of the law for a public officer to influence an enterprise's decision regarding whether to place advertisements in a certain newspaper.

76. H/Ops responded that a public officer who abused his power to influence an enterprise's decision on such matter might amount to misconduct in public office. Whether there was a breach of the law in a case would depend on the circumstances of the case.

77. Ms Claudia MO asked whether any irregularities had been identified in the investigation of complaint relating to a former CE. C/ICAC responded that he was not in a position to disclose information about individual cases. He stressed that the investigation results of all cases were submitted to the Operations Review Committee of ICAC for consideration.

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III. Any other business

78. The Chairman reminded members that a special meeting would be held on 28 January 2014 from 12:30 pm to 2:30 pm to receive a briefing by the Commissioner of Police on the crime situation in 2013.

79. There being no other business, the meeting ended at 10:46 am.

Council Business Division 2
Legislative Council Secretariat
1 April 2014