

**立法會**  
**Legislative Council**

LC Paper No. CB(1)1235/14-15  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/3/14/1

**Bills Committee on Clearing and Settlement Systems  
(Amendment) Bill 2015**

**Minutes of the seventh meeting on  
Monday, 15 June 2015, at 10:45 am  
in Conference Room 2A of the Legislative Council Complex**

- Members present** : Hon Andrew LEUNG Kwan-yuen, GBS, JP (Chairman)  
Hon CHAN Kam-lam, SBS, JP  
Hon Starry LEE Wai-king, JP  
Hon CHAN Kin-por, BBS, JP  
Hon NG Leung-sing, SBS, JP  
Hon CHAN Chi-chuen  
Hon Kenneth LEUNG  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Hon SIN Chung-kai, SBS, JP
- Members absent** : Hon WONG Ting-kwong, SBS, JP  
Hon Charles Peter MOK, JP
- Public officers attending** : Mr Jackie LIU  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services)5
- Ms Jenny LEE  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services)(5)1
- Mr Esmond LEE, JP  
Executive Director (Financial Infrastructure)  
Hong Kong Monetary Authority

Mr LI Shu-pui  
Head (Financial Infrastructure Development)  
Hong Kong Monetary Authority

Mr Daniel LEONG  
Senior Manager (Financial Infrastructure Development)  
Hong Kong Monetary Authority

Ms Yvonne TSUI  
Senior Counsel  
Hong Kong Monetary Authority

Miss Selina LAU  
Senior Assistant Law Draftsman (Ag.)  
Department of Justice

Ms Mandy NG  
Senior Government Counsel  
Department of Justice

**Clerk in attendance** : Ms Connie SZETO  
Chief Council Secretary (1)4

**Staff in attendance** : Mr YICK Wing-kin  
Assistant Legal Adviser 8

Miss Sharon LO  
Senior Council Secretary (1)9

Ms Sharon CHAN  
Legislative Assistant (1)4

## **I Meeting with the Administration**

### Matters arising from previous meeting

(LC Paper No. CB(1)881/14-15(01) — Submission from  
Communications Association of  
Hong Kong (English version  
only)

LC Paper No. CB(1)981/14-15(01) — List of follow-up actions arising from the discussion at the meeting on 26 May 2015

LC Paper No. CB(1)981/14-15(02) — Administration's response to the submission from Communications Association of Hong Kong and issues raised at the meeting on 26 May 2015)

Consideration of Committee Stage amendments proposed by the Administration

(LC Paper No. CB(1)981/14-15(03) — Draft Committee Stage amendments proposed by the Administration)

Other relevant papers

(LC Paper No. CB(3)390/14-15 — The Bill

LC Paper No. CB(1)615/14-15(01) — Marked-up copy of the Bill prepared by the Legal Service Division (Restricted to members only)

LC Paper No. CB(1)714/14-15(03) — Letter dated 23 March 2015 from Legal Service Division to the Administration

LC Paper No. CB(1)714/14-15(04) — Administration's response to Legal Service Division's letter dated 23 March 2015

File Ref: B&M/2/1/20C — Legislative Council Brief

LC Paper No. LS36/14-15 — Legal Service Division Report

LC Paper No. CB(1)590/14-15(01) — Background brief on Clearing and Settlement Systems (Amendment) Bill 2015 prepared by the Legislative Council Secretariat)

Discussion

2. The Bills Committee deliberated (Index of proceedings attached at **Appendix**).

**II Any other business**

3. The Chairman said that the Bills Committee had completed scrutiny of the Bill. The Administration indicated that it planned to resume the Second Reading debate on the Bill in the 2015-2016 legislative session, and would inform members on the proposed date later. The Chairman would report the Bills Committee's deliberations to the House Committee in due course.

4. There being no other business, the meeting ended at 11:28 am.

Council Business Division 1  
Legislative Council Secretariat  
10 September 2015

**Proceedings of the Bills Committee on Clearing and Settlement Systems  
(Amendment) Bill 2015**

**Seventh meeting on Monday, 15 June 2015, at 10:45 am  
in Conference Room 2A of the Legislative Council Complex**

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
000109 – 000157	Chairman	Introductory remarks	
000158 – 001359	Administration	Briefing by the Administration on its written responses to issues raised at the meeting on 26 May 2015 and the submission from Communications Association of Hong Kong (LC Paper No. CB(1)981/14-15(02))	
001400 – 001437	Chairman Administration Assistant Legal Adviser ("ALA")	<p><u>Liabilities of internet service providers ("ISP")</u></p> <p>The Chairman was of the view that the Monetary Authority ("MA") should issue guidelines to enhance the understanding of ISP on liabilities under the proposed section 8C of the Clearing and Settlement Systems Ordinance (Cap. 584) ("CSSO") and facilitate their compliance with the regulatory requirements.</p> <p><u>Legal professional privilege ("LPP")</u></p> <p>ALA's remarks that the Administration's proposed Committee Stage amendments ("CSAs") in relation to LPP would put beyond doubt that no provisions in the Bill would affect any claims, rights or entitlement that would arise on the grounds of LPP.</p>	
<b>Consideration of Committee Stage amendments proposed by the Administration</b>			
001438 – 004246	Chairman Administration Mr SIN Chung-kai ALA	<p>Briefing by the Administration on its proposed CSAs to the Bill (LC Paper No. CB(1) 981/14-15(03))</p> <p><u>CSAs to the proposed section 8ZZZI of CSSO</u></p> <p>In response to Mr SIN's enquiry, the Administration advised that –</p> <p>(a) the purpose of new section 8ZZZI(6), which provided exemption to stored value facilities ("SVF") that were multi-purpose cards issued under the Banking Ordinance (Cap. 155) ("BO") before the commencement of the</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>section from the requirements under section 8ZZZI(1), was to avoid creating undue burden on any licensee to re-issue SVF;</p> <p>(b) multi-purpose cards issued after the commencement of section 8ZZZI were required to display the licence numbers of the relevant SVF licensees;</p> <p>(c) if it was not reasonably practicable for the SVF issuers to state the relevant licence numbers on the multi-purpose cards, the proposed section 8ZZZI(1)(b) allowed issuers to state the licence numbers on the packaging containing the cards concerned; and</p> <p>(d) MA would liaise with the existing SVF issuers on the requirements under the proposed section 8ZZZI. It was not envisaged that such issuers would have difficulties in complying with the requirements.</p> <p>ALA enquired whether new section 8ZZZI(6) would apply to a multi-purpose card which was both device-based and non-device-based and could be used for purchasing goods and services through a communication network.</p> <p>The Administration clarified that the existing BO only governed the issuance of multi-purpose cards (i.e. device-based SVF). SVF issuers would need to ensure that the licence number of the network-based/non-device-based SVF was clearly stated on its website and each communication network concerned upon the commencement of the Bill.</p> <p><u>CSAs to the revised section 53 of CSSO</u></p> <p>The Administration informed that there was a textual error on the proposed CSAs to section 53. The fine provided in the new section 53(5)(a) should be \$400,000 and imprisonment of 2 years.</p> <p><i>(Post meeting note: Relevant replacement sheets were issued to members vide LC Paper No. CB(1)981/14-15(03) on 16 June 2015.)</i></p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p><u>CSAs to the proposed section 8 of Schedule 3 to CSSO</u></p> <p>Mr SIN welcomed the proposed CSAs to expressly provide for the need to obtain prior permission from MA before SVF issuers could set deadline for users in redeeming the stored value on the SVF. He emphasized that it should be a general principle to discourage SVF issuers setting deadline for redemption of the stored value in the facility, and that MA's permission should only be granted in exceptional circumstances and under the requisite that the permission would not give rise to unreasonable treatment to the users concerned. He requested the Administration to give the above undertaking during the resumption of the Second Reading debate on the Bill.</p> <p>The Administration noted Mr SIN's views.</p> <p><u>Penalties for summary conviction</u></p> <p>In response to ALA's enquiry, the Administration confirmed that for all offences where penalties were provided for conviction on indictment, a corresponding penalty for summary conviction had been added in the proposed CSAs.</p> <p>The Bills Committee completed scrutiny of the Administration's proposed CSAs.</p>	
004247 – 004354	Chairman Administration	Legislative timetable	