

**Hong Kong 2020 submission to  
Electoral Legislation (Miscellaneous Amendments)(No 2) Bill 2015**

Hong Kong 2020 is extremely disappointed that, in framing the Electoral Legislation (Miscellaneous Amendments)(No 2) Bill 2015, the Administration has confined itself yet again to proposing only technical amendments to the laws that will govern the conduct of the 2016 Legislative Council (LegCo) elections and the election of the Chief Executive in 2017.

The 31 August 2014 Decisions by the Standing Committee of the National People's Congress were the death knell for any prospect of achieving genuine universal suffrage for the election of the Chief Executive in 2017 and all members of LegCo by 2020. However, those Decisions do not rule out making substantive reforms that would help to improve the fairness and representativeness of the current system; and the Government should seize the opportunity to make progress where possible.

An obvious example is to expand the electorates of Functional Constituencies (FCs), where feasible, to enable more members of the relevant sectors to participate in the election of their LegCo representative. Such changes are wholly within the remit of the Administration to propose and the Hong Kong Legislature to enact; they do not require the approval of the Central Authorities.

FCs were introduced initially in 1985 as a modest first step down the path towards a democratically elected Legislative Council. The objective was to strengthen the mandate of business and professional members of LegCo, by allowing them to be elected by their peers, or representative bodies, rather than being appointed wholly at the discretion of the Government. Given the very narrow voter base and elitist nature of the bodies so represented, it was never envisaged that FCs would become a long term fixture in LegCo.

Despite this fact, thirty years have passed without any lasting major reform of their role and composition. Changes introduced in the closing years of British rule were swept away at the time of the return of sovereignty in 1997 and, in a retrograde step, Annex II of the Basic Law established the concept of 'split voting' under which non-government bills, amendments and motions must be supported by a separate majority of both directly elected and FC LegCo members. In practice, this has resulted in the proposals of LegCo members, collectively elected by up to 3.6 million voters, being repeatedly overruled by FC members elected by a mere 229,000 votes.

The unfairness of the system is exacerbated by the fact that a substantial proportion of FC members are partially or totally elected by means of 'corporate' votes, exercised by companies or representative bodies on behalf of their members. There is no established rationale as to which bodies are selected to represent the different sectors; it is entirely at the discretion of the Government.

The system is also open to manipulation and abuse as it enables major business conglomerates to exercise votes in multiple sectors and thus have an unfair influence on the outcome of FC elections. A lack of competition has resulted in a number of FCs returning uncontested candidates, time and time again.

For all these reasons, Hong Kong 2020 urges the Government to abandon its policy of considering only technical changes to the composition of FC electorates and show itself willing to embrace meaningful reforms. Specifically, we wish to lend our strong support to proposals, launched publicly on 19 January 2016, by representatives of the Insurance, Finance and Financial Services sectors for expansion of the electorate in their respective FCs.

These proposals have been formulated by young, proactive professionals, committed to making their constituencies more representative - not just of the sectors they serve - but the community as a whole.

'Insurance Arise' and 'Act Voice' are groups representing respectively insurance agents and actuaries who want to see the size of the Insurance FC electorate expand from a mere 128 corporate votes to potentially 100,000 individual votes. This can be achieved by including, amongst others, agents and other industry representatives registered with The Hong Kong Federation of Insurers, insurance brokers registered with the Hong Kong Confederation of Insurance Brokers and Professional Insurance Brokers Association, and all members of the Actuarial Society of Hong Kong.

'Financier Conscience', a group of finance professionals committed to promoting democracy and raising the finance industry's awareness of and participation in public affairs, is proposing that all corporate and institutional votes in the Finance and Financial Services constituencies be replaced by individual votes. Specifically they propose that the Finance FC should consist of all existing employees under the Hong Kong Monetary Authority Register of Securities Staff of Authorized Institutions, some 96,000 individuals as opposed currently to a mere 121 banks, restricted license banks and deposit-taking companies registered under Chapter 155 of the Banking Ordinance.

Eligible voters for the Financial Services FC should include all Responsible Officers and Licensed Representatives under the Securities and Futures Commission Public Register of Licensed Persons & Registered Institutions, some 41,000 as opposed to currently only 551 Exchange Participants and members of the Chinese Gold and Silver Exchange Society entitled to vote at general meetings of the Society.

Hong Kong 2020's support for these initiatives in no way means that we are reconciled to the long term role of FCs as a means of electing LegCo members. On the contrary, together with the entire pro-democracy camp, we want to see the complete abolition of FCs as soon as possible.

In the meantime, anything that can be done to raise the legitimacy of FCs, and enhance the representativeness of those elected by them, is extremely welcome. It can help pave the way for the election to LegCo and the Chief Executive Nominating Committee of members who are committed to achieving universal suffrage and working for the good of the community as a whole, not just their own narrow sectoral and vested interests.