

立法會
Legislative Council

LC Paper No. CMI/48/15-16

Ref : CB3/C/1 (12-16)

**Paper for the House Committee
meeting on 24 June 2016**

**Amendments to the Registration Form on Members' Interests
proposed by the Committee on Members' Interests**

Purpose

This paper seeks the views of the House Committee on the amendments to the Registration Form on Members' Interests ("the Form") proposed by the Committee on Members' Interests ("CMI").

Background

2. A Member is required to furnish to the Clerk to the Legislative Council ("LegCo") particulars of his registrable interests before the relevant deadline in such form as may be approved by the President (i.e. the Form) under Rule 83(1) and (2) of the Rules of Procedure ("RoP"). Registrable interests include beneficial interests in shares of any company or other body held by a Member ("shareholding interests"), as defined in RoP 83(5)(h):

"the names of companies or other bodies in which the Member has, to his knowledge, either himself or with or on behalf of his spouse or infant children, a beneficial interest in shares of a number greater than one-hundredth of the total number of issued shares".

Proposed amendments to the Form

3. CMI notes that while page 16 of the Form, which is based on RoP 83(5)(h), provides that a Member has to register his shareholding interests in "any company or body", neither that Rule nor the Form contains express reference to or provision on whether shareholding interests in, among other things, overseas companies or bodies are registrable. CMI also notes that while the subrules defining the interests in "remunerated directorships" and "land and property" (RoP 83(5)(a) and (g) respectively) contain no express reference to or

provision on whether overseas interests are registrable, the respective pages in the Form for registering such interests have explicitly provided that both local and overseas interests are registrable. CMI therefore considers that for the sake of clarity, the Form should be amended to explicitly state that shareholding interests in both local and overseas companies or bodies (including shell companies or bodies which do not (i) own any assets or (ii) carry on any business or (iii) conduct any commercial activities) are registrable. The proposed amendments to page 16 of the Form are marked up in **Appendix 1**.

4. The proposed amendments to the Form will not extend the ambit of registration. It is the current requirement in RoP 83(5)(h) that a Member has to register beneficial interests in shares¹ held with or on behalf of his spouse or infant children. The current system for registration and declaration of Members' interests was modelled on that of the Parliament of the United Kingdom and has been adopted by LegCo since 1991. Moreover, it has been the view of CMI of the present and previous terms that the requirement for a Member to register shareholding interest in a company or body does not hinge on the company or body owning any assets or carrying on any business, commercial or other activities.

5. Members may wish to note that in deliberating on complaints about Members' failure to register shareholding interests, CMI of the last term held the view that a Member ought to furnish particulars of his shareholding interests to the Clerk to LegCo under RoP 83 even if the company, of which the Member holds more than 1% of its issued shares, does not own any assets or carry on any business, commercial or other activities².

Consultation with Members on the proposed amendments to the Form

6. CMI sought, in early June 2016 by way of a questionnaire, the views of all Members on the proposed amendments in Appendix 1. All Members except the President responded to the questionnaire. The consultation outcome is in **Appendix 2** and summarized as follows:

- (a) 59 Members (85%) agree to the proposed amendments;
- (b) 6 Members (9%) have no view on the proposed amendments; and
- (c) 4 Members (6%) disagree with the proposed amendments.

¹ Registrable shares refer to shares in any company or body of a number greater than 1% of the total number of issued shares of the company or body.

² See paragraph 3.8 on page 14 of the Report of the Committee on Members' Interests on its consideration of complaints against Hon Timothy FOK, Hon Mrs Sophie LEUNG, Hon Andrew LEUNG, Hon CHIM Pui-chung, Dr Hon Philip WONG and Hon IP Kwok-him in 2011.

7. After considering the consultation outcome, CMI made a textual change³ to the Chinese version of the Form, the latest version of which is in **Appendix 3**. As the consultation outcome shows that a clear majority of Members support amending the Form, CMI decided at its meeting held on 14 June 2016 that the matter should be taken forward.

Advice sought

8. Members are invited to consider the proposed amendments to page 16 of the Form in Appendix 3. Subject to the views of Members, the amended Form will be submitted to the President for approval under RoP 83.

Council Business Division 3
Legislative Council Secretariat
21 June 2016

³ The textual change is made in the light of a Member's view as detailed in Appendix 2.

Name of Member

Version for consultation with all Members in early June

Category 8 – ~~Shareholdings~~ Beneficial interests in shares of companies or other bodies

8(1). Do you have (either yourself or with or on behalf of your spouse or infant children) any beneficial ~~interests~~ interest in shares in any company or body of a number greater than 1% of the total number of issued shares of the company or body?

Yes No (Please ✓ where appropriate)

If yes, please list details in each case in the table below.

- Notes:** (a) There is no need to register the size, or value of the ~~shareholdings~~ shares.
- (b) ~~"Shareholdings"~~ "Shares" is defined as ~~personal shareholdings~~ shares in local and overseas companies or bodies (including shell companies or bodies which do not (i) own any assets or (ii) carry on any business or (iii) conduct any commercial activities), and ~~do~~ does not include ~~shareholdings~~ shares held by a Member in the capacity of a nominee shareholder unless the shares are held on behalf of his spouse or infant children.
- (c) It is the obligation of a Member to register interests under this category within his knowledge.
- (d) ~~Shareholdings~~ Shares held by a Member's spouse are not registrable unless such ~~holdings~~ shares are within the knowledge of the Member, and are held by the Member "with or on behalf of" his spouse. This guideline is equally applicable to ~~shareholdings~~ shares in respect of a Member's infant children.

Details

Name of the company <u>or body</u>	Nature of business of the company <u>or body</u>
<div style="border: 2px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> <p>Legend:</p> <ul style="list-style-type: none"> - Text proposed to be added are shown in italic and underlined. - Text proposed to be deleted are shown with deletion line. </div>	

(If you have more shares to register, please use the additional sheet provided after this page.)

Signature: _____ Date: _____

**Members' views on the proposed amendments to
Page 16 (Category 8 – Shareholdings) of
the Registration Form on Members' Interests**

Agree: 59 (85%)**No view :** 6 (9%)**Disagree:** 4 (6%)

Agree			
CHAN Kam-lam	Albert HO	Tommy CHEUNG	POON Siu-ping (<i>FLU</i>) (1 member)
TAM Yiu-chung	James TO	Vincent FANG	
WONG Ting-kwong	Emily LAU	James TIEN	Joseph LEE
Starry LEE	WU Chi-wai	Frankie YICK	LAM Tai-fai ¹
CHAN Hak-kan	SIN Chung-kai	CHUNG Kwok-pan	CHAN Kin-por
IP Kwok-him	Helena WONG	(<i>LP</i>) (5 members)	LEUNG Ka-lau
Steven HO	(<i>DP</i>) (6 members)	LEE Cheuk-yan	Paul TSE
CHAN Han-pan	WONG Kwok-hing	Cyd HO	WONG Yuk-man
LEUNG Che-cheung	WONG Kwok-kin	CHEUNG Kwok-che	IP Kin-yuen
Elizabeth QUAT	CHAN Yuen-han	Fernando CHEUNG	(<i>U/I</i>) (7 members)
CHIANG Lai-wan	Alice MAK	(<i>LaP</i>) (4 members)	
Christopher CHUNG	KWOK Wai-keung	Regina IP	
(<i>DAB</i>) (12 members)	TANG Ka-piu	Michael TIEN	
LAU Wong-fat	(<i>FTU</i>) (6 members)	(<i>NPP</i>) (2 members)	
Abraham SHEK	Alan LEONG	Charles Peter MOK	
Jeffrey LAM	Claudia MO	Kenneth LEUNG	
Andrew LEUNG	Kenneth CHAN	(<i>PC</i>) (2 members)	
Priscilla LEUNG	KWOK Ka-ki	Gary FAN	
Christopher CHEUNG	Dennis KWOK	(<i>ND</i>) (1 member)	
LO Wai-kwok	Alvin YEUNG		
(<i>BPA</i>) (7 members)	(<i>CP</i>) (6 members)		

No View		Disagree	
Albert CHAN	Frederick FUNG	NG Leung-sing	
CHAN Chi-chuen	(<i>ADPL</i>) (1 member)	YIU Si-wing ²	
(<i>PP</i>) (2 members)	LEUNG Kwok-hung	Martin LIAO ²	
LEUNG Yiu-chung	(<i>LSD</i>) (1 member)	(<i>U/I</i>) (3 members)	
(<i>NWSC</i>) (1 member)	Tony TSE	MA Fung-kwok	
	(<i>U/I</i>) (1 member)	(<i>NCF</i>) (1 member)	

Views

¹ **LAM Tai-fai:** "Replacing '並' with '而且' in 8(1)(b) makes it difficult for people to understand the meaning, and the wording is different from that of the English version." (*translation*)

² **Martin LIAO:** "At present, quite a number of Members are not full-time Members, and they may be involved in various commercial and investment activities. The current mechanism for oral and written declaration of interests has been operating effectively, and there is no evidence showing that the current mechanism has been abused. Therefore, I cannot see any reason for expanding, as put forward in the proposal, the ambit of declaration required, e.g. by including the 'shareholding interests' held on behalf of a Member's spouse or infant children in an overseas company which does not own any asset or carry on any business. The proposal will undoubtedly make the declaration too stringent." (*translation*)

Abbreviations

ADPL	Hong Kong Association for Democracy and People's Livelihood	FTU	The Hong Kong Federation of Trade Unions	NPP	New People's Party
BPA	Business and Professionals Alliance for Hong Kong	LaP	Labour Party	NWSC	Neighbourhood and Worker's Service Centre
CP	Civic Party	LSD	League of Social Democrats	PC	The Professional Commons
DAB	Democratic Alliance for the Betterment and Progress of Hong Kong	LP	Liberal Party	PP	People Power
DP	Democratic Party	NCF	New Century Forum	U/I	Political affiliation undeclared/Independents
FLU	The Federation of Hong Kong and Kowloon Labour Unions	ND	Neo Democrats		

Name of Member

Version for consideration by the House Committee

Category 8 – ~~Shareholdings~~ Beneficial interests in shares of companies or other bodies

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If yes, please list details in each case in the table below.

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