

Panel on Financial Affairs

List of outstanding items for discussion

(as at 12 October 2015)

	Proposed timing for discussion at Panel meeting
<p>1. Briefing on the work of Hong Kong Monetary Authority ("HKMA")</p> <p>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.</p>	<p>November 2015 February 2016 May 2016</p>
<p>2. Proposed implementation of the second phase of the over-the-counter derivatives regulatory regime in Hong Kong</p> <p>The Government will brief members on the second phase implementation of the Securities and Futures (Amendment) Ordinance 2014 and the legislative proposals for the relevant subsidiary legislation for the implementation of mandatory clearing and expanded reporting. The Government aims to introduce the relevant legislative proposals into the Legislative Council ("LegCo") in the 1st half of the 2015-2016 legislative session.</p>	<p>November 2015</p>
<p>3. Briefing by the Financial Secretary ("FS") on Hong Kong's latest overall economic situation</p> <p>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.</p>	<p>December 2015 June 2016</p>
<p>4. 2016-2017 Budget consultation</p> <p>FS will consult LegCo on the 2016-2017 Budget.</p>	<p>December 2015</p>
<p>5. Budget of Securities and Futures Commission</p>	

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("SFC") for the financial year of 2016-2017

In line with the usual practice, SFC will brief the Panel on its budget for the coming financial year in February or March.

1st quarter of 2016

6. Annual briefing on the work of the Financial Reporting Council ("FRC")

2nd quarter of 2016

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.

7. Inland Revenue Tower in Kai Tak Development

The Administration has committed to vacating the three government office buildings at Wan Chai waterfront (i.e. Revenue Tower, Immigration Tower and Wanchai Tower), with a view to releasing more prime office space to the market. In this regard, the Government proposes to build a new Inland Revenue Tower at Site 1D3 in the Kai Tak Development Area. Upon review, the Government will deliver the project through a "Design-and-build" ("D&B") contract (under which both the design and construction works for the proposed building will be undertaken by a single contractor), thus obviating the need to engage a consultant to undertake pre-construction works separately as originally planned. The Administration will consult the Panel, when ready, before submitting the proposal to the Public Works Subcommittee and FC.

To be confirmed

8. Briefing on the work of the Financial Dispute Resolution Centre ("FDRC")

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

To be confirmed

January 2012 were provided by the Government, HKMA and SFC. The FDRC formally commenced operation in June 2012.

At the work plan meeting of the Panel held on 30 October 2013, Hon Starry LEE suggested that the Government 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. The Government is requested to brief the Panel on the work of FDRC and its funding arrangement when appropriate.

A note for FC was issued on 30 December 2014 (FCRI(2014-15)13) to inform FC members of the Government's plan to use the outstanding balance of the non-recurrent commitment to continue funding the operating of FDRC until around 2017.

9. Impact of the "Occupy Central" movement on Hong Kong's financial systems and markets.

At the meeting on 9 October 2014, some members including Hon WONG Kwok-hing, Hon Starry LEE and Hon NG Leung-sing expressed concern about the impact arising from the "Occupy Central" movement on the overall economy, in particular financial stability and operation of the banking and financial markets. The Panel requested the Government to provide a briefing on related issues.

To be confirmed

HKMA briefed the Panel on the impact arising from the "Occupy Central" movement on financial stability and operation of the banking and financial markets, during the regular briefing on the work of HKMA at the meeting of 3 November 2014.

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10. Updates on Shanghai-Hong Kong Stock Connect ("S-HK SC")

The Panel received a briefing on the establishment of S-HK SC at the meeting held on 9 June 2014.

To be confirmed

At the work plan meeting of the Panel on 20 October 2014, Hon Christopher CHEUNG requested the Government to update the Panel on the development of the initiative.

11. 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 Government 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 a meeting.

The Government has provided an information paper prepared by HKEx on extension of trading hours in the

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securities market, which was circulated to members on 20 November 2013 (LC Paper No. CB(1)356/13-14(01)).

12. Hong Kong's participation in the Asian Infrastructure Investment Bank ("AIIB")

This item was raised by Hon Dennis KWOK (his letter dated 30 March 2015 was issued vide LC Paper No. CB(1)710/14-15(01) on 2 April 2015). Mr KWOK considers that the Panel should discuss issues relating to Hong Kong's participation in AIIB which is a financial organization to provide finance to support the development of infrastructure in the Asian region. The plan to establish AIIB was formally announced by the Central Government in October 2014.

To be confirmed