

**立法會**  
**Legislative Council**

LC Paper No. CB(1)819/17-18  
(These minutes have been seen  
by the Administration)

Ref : CB1/BC/7/16/1

**Bills Committee on Anti-Money Laundering and Counter-Terrorist  
Financing (Financial Institutions) (Amendment) Bill 2017 and  
Companies (Amendment) Bill 2017**

**Minutes of the seventh meeting on  
Thursday, 4 January 2018, at 8:30 am  
in Conference Room 2 of the Legislative Council Complex**

**Members present** : Hon WONG Ting-kwong, GBS, JP (Chairman)  
Hon James TO Kun-sun  
Hon Jeffrey LAM Kin-fung, GBS, JP  
Hon YIU Si-wing, BBS  
Hon Charles Peter MOK, JP  
Hon Kenneth LEUNG  
Hon Dennis KWOK Wing-hang  
Hon CHUNG Kwok-pan  
Dr Hon Junius HO Kwan-yiu, JP

**Members absent** : Hon CHAN Kin-por, GBS, JP  
Hon WU Chi-wai, MH  
Hon Christopher CHEUNG Wah-fung, SBS, JP  
Dr Hon Elizabeth QUAT, BBS, JP  
Hon CHU Hoi-dick  
Hon Holden CHOW Ho-ding  
Hon CHAN Chun-ying

**Public officers attending** : Mr Chris SUN, JP  
Deputy Secretary for Financial Services and the  
Treasury (Financial Services)

Ms Eureka CHEUNG  
Principal Assistant Secretary for Financial Services and  
the Treasury (Financial Services)

Miss Helen KWAN  
Assistant Secretary for Financial Services and the  
Treasury (Financial Services)

Ms Ada CHUNG, JP  
Registrar of Companies

Mr Francis MOK  
Senior Solicitor (Company Law Reform)  
Companies Registry

Ms Nilmini DISSANAYAKE, BBS  
Consultant Counsel  
Department of Justice

Ms Rayne CHAI  
Senior Assistant Law Draftsman  
Department of Justice

Mr Stewart MCGLYNN  
Head (Anti-Money Laundering)  
Hong Kong Monetary Authority

Mr Jason U  
Deputy Head (Risk Assessment), Money Service  
Supervision Bureau (Acting)  
Customs and Excise Department

**Attendance by Invitation** : Ms Irene POU  
Associate Director, Intermediaries Supervision,  
Intermediaries  
Securities and Futures Commission

Mr Dickson CHUI  
Senior Manager  
Insurance Authority

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

**Staff in attendance :** Mr Bonny LOO  
Assistant Legal Adviser 4

Mr Hugo CHIU  
Senior Council Secretary (1)4

Ms Sharon CHAN  
Legislative Assistant (1)4

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**I Meeting with the Administration**

Matters arising from the previous meeting

(LC Paper No. CB(1)413/17-18(01) — List of follow-up actions arising from the discussion at the meeting on 21 December 2017

LC Paper No. CB(1)413/17-18(02) — Administration's response to issues raised at the meeting on 21 December 2017)

Clause-by-clause examination of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017

(LC Paper No. CB(3)735/16-17 — The Bill

File Ref: B&M/4/1/41C — Legislative Council Brief

LC Paper No. LS88/16-17 — Legal Service Division Report

Action

- LC Paper No. CB(1)1456/16-17(01) — Marked-up copy of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance and other legislation to be amended by the Bill prepared by the Legal Service Division (Restricted to members only)
- LC Paper No. CB(1)1456/16-17(02) — Letter dated 6 July 2017 from the Legal Service Division to the Administration (AMLO)
- LC Paper No. CB(1)1456/16-17(03) — Letter dated 12 July 2017 from the Legal Service Division to the Administration (AMLO)
- LC Paper No. CB(1)1456/16-17(04) — Administration's response dated 29 September 2017 to the Legal Service Division's letters dated 6 and 12 July 2017 regarding the Bill (AMLO)

Consideration of amendments proposed by the Administration

- (LC Paper No. CB(1)424/17-18(01) — Draft Committee Stage amendments proposed by the Administration) (English version only)

Other relevant paper

(A) *Papers relating to the Companies (Amendment) Bill 2017*

- (LC Paper No. CB(3)736/16-17 — The Bill
- File Ref: B&M/4/1/43C — Legislative Council Brief
- LC Paper No. LS89/16-17 — Legal Service Division Report

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LC Paper No. CB(1)1456/16-17(05) — Marked-up copy of the Companies Ordinance prepared by the Legal Service Division (Restricted to members only)

LC Paper No. CB(1)1456/16-17(06) — Letter dated 21 July 2017 from the Legal Service Division to the Administration (CO)

LC Paper No. CB(1)1456/16-17(07) — Administration's response dated 29 September 2017 to the Legal Service Division's letter dated 21 July 2017 regarding the Bill (CO)

*(B) Paper relating to the two Bills*

(LC Paper No. CB(1)1456/16-17(08) — Background brief prepared by the Legislative Council Secretariat)

Discussion

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

*(At 10:42 am, the Chairman ordered that the meeting be suspended for 5 minutes. The meeting resumed at 10:50 am.)*

Follow-up actions to be taken by the Administration

2. According to the Administration, the proposed new section 5A(3) and (4) of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) ("AMLO") was intended to cover a transaction in Hong Kong concerning the buying or selling of real estate regardless of whether it was located within or outside Hong Kong. The Administration was requested to consider the need of refining the proposed new section 5A to clearly reflect the policy intent.

3. According to the Administration, the pecuniary penalty received by the Registrar of Companies ("the Registrar") under the proposed

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new section 53Z(3)(c) and (4) of AMLO would be paid into the Companies Registry Trading Fund instead of the general revenue. Some members were concerned that the Registrar's decisions on imposing pecuniary penalty might be influenced by the financial position of the Companies Registry. The Administration was requested to address members' concern by (a) explaining the reasons for not paying the pecuniary penalty received into the general revenue; and (b) providing examples on how income from pecuniary penalty was handled by other regulators or trading funds.

4. The Administration was requested to consider the suggestion to amend the proposed new section 53ZK(1)(d) of AMLO to allow the Registrar to disclose information to the Estates Agents Authority.

5. Under the proposed new section 53ZO of AMLO, proceedings might be instituted for an offence under Part 5A of AMLO, except for an indictable offence, within 12 months after the offence was discovered by, or came to the notice of, the Registrar, rather than after the commission of the offence. The Administration was requested to address a member's concern that the proposed arrangement would give rise to uncertainty or be onerous for minor offences, and consider the need of refining the provision.

6. According to the Administration, the policy intent of the proposed new section 80(1A)(e) of AMLO was to provide an option for licensed trust or company service providers ("TCSPs") to receive the notices of the Registrar by electronic means. The Administration was requested to refine the drafting of the provision to reflect its policy intent clearly.

7. In respect of the proposed amended Schedule 1 to AMLO, the Administration was requested to consider a member's suggestion to exclude the mere provision of post box service from the proposed definition of "trust or company service".

8. As explained by the Administration, the policy intent of the proposed amended section 9(b) of Schedule 2 to AMLO was to relax the customer due diligence requirement so that financial institutions or designated non-financial businesses and professions would only need to verify information relating to a customer they had obtained (instead of all the information provided by the customer). The Administration was requested to consider refining the provision to reflect its policy intent clearly.

9. Contraventions of the proposed new sections 53S(1), 53T(1) and 53U(1) of AMLO would be criminal offences. However, the above provisions only

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specified that without the written approval of the Registrar, a person "must not become" an ultimate owner of a licensee, a partner of a licensee that was a partnership, and a director of a licensee that was a corporation respectively. The provisions did not seem to prohibit a person from acting (or purporting to act) as an ultimate owner, partner or director of a licensee without the Registrar's written approval. The Administration was requested to make reference to similar provisions in other legislation (including section 8ZZV of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584)), and consider the need of amending the phrase "must not become" to "must not become or act as". There was also a concern that the underlying controller or ultimate owner of a licensed TCSP would not be subject to regulation under AMLO if he/she was not the holder of a TCSP licence.

10. The Administration was requested to review whether the phrase "caused or allowed" in the proposed new section 34(1)(a)(xiv)(A) and (xv)(A) of the Professional Accountants Ordinance (Cap. 50) was consistent with similar provisions in other legislation seeking to make a director of a corporation liable for an offence committed by the corporation, and consider the need of refining the phrase to maintain consistency with such legislation.

11. The Administration was requested to revise its proposed amendment to further amend section 18(3)(c) of Schedule 2 to AMLO so as to cover qualified real estate practitioners in other jurisdictions.

*(Post meeting note: The Administration's written responses were issued to members vide LC Paper No. CB(1)442/17-18(01) on 8 January 2018.)*

**II Any other business**

12. The Chairman said that the Bills Committee had completed the clause-by-clause examination of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017.

Legislative timetable and date of next meeting

13. The Chairman said that the Bills Committee would meet on 9 January 2018 at 8:30 am to examine the Administration's responses to the issues raised at this meeting and its further proposed amendments to the Bill arising from discussion at this meeting.

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14. Members noted that the Administration planned to resume the Second Reading debate on the two Bills at the Council meeting of 24 January 2018. The Chairman said that he would report the Bills Committee's deliberations to the House Committee on 12 January 2018. The deadline for giving notice of amendments to the two Bills would be 15 January 2018.

15. There being no other business, the meeting ended at 11:26 am.

Council Business Division 1  
Legislative Council Secretariat  
17 April 2018



**Proceedings of the seventh meeting of the Bills Committee on  
Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions)  
(Amendment) Bill 2017 and Companies (Amendment) Bill 2017  
on Thursday, 4 January 2018, at 8:30 am  
in Conference Room 2 of the Legislative Council Complex**

Time Marker	Speaker	Subject(s)	Action Required
<b>Agenda item I — Meeting with the Administration</b>			
000709 – 001240	Chairman Administration Mr James TO	Briefing by the Administration on its response to issues raised at the meeting on 21 December 2017 [LC Paper No. CB(1)413/17-18(02)]	
001241 – 002856	Chairman Assistant Legal Adviser 4 ("ALA4") Administration Mr Kenneth LEUNG Mr James TO	<p>Noting the Administration's explanation that the intention of the proposed new section 5A(3) and (4) of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Ordinance (Cap. 615) ("AMLO") was to cover a transaction in Hong Kong concerning the buying or selling of real estate regardless of whether it was located within or outside Hong Kong, ALA4 said that members might wish to consider whether the proposed new section 5A should be refined to reflect the Administration's policy intent clearly.</p> <p>The Government responded as follows:</p> <p>(a) the geographical location of real estate in a transaction was immaterial. Estate agents in Hong Kong would be required to comply with the anti-money laundering and counter-terrorist financing ("AML/CTF") requirements in Schedule 2 to AMLO when they were involved in transactions concerning the buying or selling of real estate which took place in Hong Kong; and</p> <p>(b) it would be more appropriate to set out the scope of "real estate" in the guidelines to be developed by the Estate Agents Authority</p>	The Administration to take action as per paragraph 2 of the minutes

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		<p>("EAA") for the operation of AML/CTF requirements under AMLO.</p> <p>Mr TO considered that the matter should be set out in the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017 ("AMLO Bill"). He was concerned that unless the AMLO Bill clearly defined the scope of "real estate", EAA's guidelines purporting to do so might be ultra vires AMLO.</p> <p>The Government undertook to review the need to amend the proposed new section 5A of AMLO.</p> <p>Mr TO's concern about whether the existing definition of the term "property" ("財產") in Schedule 1 to AMLO would have any extraterritorial effects; and given the extensive scope of the term "property", whether the provision would enable the Government, regulators, or regulatory bodies of designated non-financial businesses and professionals ("DNFBPs") to impose restrictions on overseas properties.</p> <p>The Government responded as follows:</p> <p>(a) the existing definition of the term "property" in Schedule 1 to AMLO would not have any extraterritorial effects. AMLO only required financial institutions ("FIs") and DNFBPs to fulfill customer due diligence ("CDD") and record-keeping requirements when conducting specified transactions in Hong Kong. AMLO did not regulate the transactions per se; and</p> <p>(b) AMLO and the AMLO Bill did not empower the Government, regulators or regulatory bodies of DNFBPs to impose restrictions on overseas properties.</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
002857 – 004417	Chairman Mr YIU Si-wing Administration Mr James TO ALA4	<p>Mr YIU's enquiries as follows:</p> <p>(a) whether the AMLO Bill covered transactions involving digital currency including Bitcoins, and if not, whether there would be a regulatory loophole and how the Administration would plug it; and</p> <p>(b) measures the Administration would take to prevent trading platforms of digital currency from being used for money laundering.</p> <p>The Chairman agreed that the Government should regulate transactions involving digital currency prudently.</p> <p>Mr TO enquired whether the term "money" and the phrase "management of client money" in AMLO covered digital currency.</p> <p>The Government responded as follows:</p> <p>(a) AMLO governed the AML/CTF measures taken by FIs and DNFBPs for specified transactions conducted in Hong Kong rather than the transactions per se;</p> <p>(b) the term "money" in AMLO and the phrase "management of client money" referred to legal tender and as such did not cover crypto-currencies; and</p> <p>(c) crypto-currencies including Bitcoins were not legal tender. They were virtual commodities generally not accepted for payment in Hong Kong. Existing legislation including the Securities and Futures Ordinance (Cap. 571), the Organized and Serious Crimes Ordinance (Cap. 455) and the Telecommunications Ordinance (Cap. 106) could be relevant in the regulation of crypto-currencies from various perspectives. The Government would continue to monitor the development and application of crypto-currencies, and review the need of introducing legislative amendments to enhance regulation if necessary.</p>	

Time Marker	Speaker	Subject(s)	Action Required
<b>Clause-by-clause examination of the Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017</b>			
004418 – 005538	Chairman Administration Mr James TO ALA4 Dr Junius HO	<p><b>Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) (Amendment) Bill 2017</b></p> <p><i>Part 5A — Regulation of Trust or Company Service Providers</i></p> <p><i>Division 5 — Registrar's Disciplinary Powers</i></p> <p><i>53Z. Disciplinary action by Registrar</i></p> <p><i>53ZA. Procedure for exercising disciplinary powers</i></p> <p><i>53ZB. Guidelines for imposing pecuniary penalty</i></p> <p>According to the Government, the pecuniary penalty received by the Registrar of Companies ("the Registrar") under the proposed new section 53Z(3)(c) and (4) of AMLO would be paid into the Companies Registry Trading Fund instead of the general revenue of the Government. Members were concerned that the Registrar's decisions on imposing pecuniary penalty might be influenced by the financial position of the Companies Registry Trading Fund. The Government was requested to address the concern by (a) explaining why the pecuniary penalty received was not paid into the general revenue; and (b) providing examples on how regulators or other trading funds handled the pecuniary penalty received.</p>	The Administration to take action as per paragraph 3 of the minutes
005539 – 005859	Chairman Administration ALA4	<p><i>53ZC. Registration of pecuniary penalty order</i></p> <p><i>53ZD. Application of disciplinary powers in respect of directors of corporations</i></p> <p><b>Division 6 — Warrants to Enter Premises</b></p> <p><i>53ZE. Registrar may appoint authorized officers</i></p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>53ZF. Magistrate's warrant to enter premises</p> <p>53ZG. Power to require production of material in legible form</p> <p><b>Division 7 — Confidentiality Requirements</b></p> <p>53ZH. Interpretation of Division 7</p> <p>53ZI. Confidentiality</p> <p>53ZJ. Permitted disclosures by specified person</p>	
005900 – 010408	Chairman Administration ALA4 Mr CHUNG Kwok-pan	<p>53ZK. Permitted disclosures by Registrar</p> <p>ALA4 suggested that the Government should consider making amendments to the proposed new section 53ZK(1)(d) of AMLO to allow the Registrar to disclose information to EAA in certain circumstances such as where a licensed trust or company service provider ("TCSP") and an estate agent were both involved in a transaction investigated by the Registrar and/or EAA.</p>	The Administration to take action as per paragraph 4 of the minutes
010409 – 011042	Chairman Administration Mr James TO	<p><b>Division 8 — Miscellaneous</b></p> <p>53ZL. Amendment of Schedule 3A</p> <p>53ZM. Regulations</p> <p>53ZN. Offence of providing false or misleading information</p> <p>53ZO. Time limit for prosecution</p> <p>53ZP. Requirements for authentication and delivery of relevant instruments</p> <p><b>Division 9 — Transitional Arrangements for Trust or Company Service Providers</b></p> <p>53ZQ. Transitional arrangements</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>Under the proposed new section 53ZO of AMLO, proceedings might be instituted for an offence under Part 5A of AMLO, except for an indictable offence, within 12 months after the offence was discovered by, or came to the notice of, the Registrar, rather than after the commission of the offence. Mr TO considered that the proposed arrangement lacked certainty and could be onerous for minor offences. He invited the Administration to consider refining the provision.</p>	<p>The Administration to take action as per paragraph 5 of the minutes</p>
<p>011043 – 011851</p>	<p>Chairman Administration ALA4 Mr James TO</p>	<p><u>Clause 19 – Part 6 heading amended (Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal)</u></p> <p><u>Clause 20 – Section 54 amended (interpretation of Part 6)</u></p> <p><u>Clause 21 – Part 6, Division 2 heading amended (Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal)</u></p> <p><u>Clause 22 – Section 55 amended (establishment of Tribunal)</u></p> <p><u>Clause 23 – Section 77 amended (regulations by Chief Executive in Council)</u></p> <p><u>Clause 24 – Section 80 amended (giving of notices by relevant authorities)</u></p> <p>According to the Government, the policy intent of the proposed new section 80(1A)(e) of AMLO was to provide an option for licensed TCSPs to receive the notices of the Registrar by electronic means. Mr TO requested the Government to review the drafting of the provision to reflect the policy intent more clearly.</p> <p>ALA4 enquired whether the Government had considered amending the existing section 80(1) of AMLO to allow the Commissioner of Customs and Excise to</p>	<p>The Administration to take action as per paragraph 6 of the minutes</p>

Time Marker	Speaker	Subject(s)	Action Required
		<p>serve notices or documents on a money service operator ("MSO") by electronic means.</p> <p>The Government responded that it was rare for the Commissioner of Customs and Excise to serve notices or documents on an MSO by electronic means. According to the Commissioner, it was the practice of MSOs to submit or receive documents to or from the Commissioner through traditional paper form.</p>	
011852 – 012549	Chairman Administration Mr James TO ALA4	<p><u>Clause 25 – Schedule 1 amended (interpretation)</u></p> <p>In respect of the proposed amended Schedule 1 to AMLO, the Government was requested to consider Mr TO's suggestion to exclude the mere provision of post box service from the proposed definition of "trust or company service".</p>	The Administration to take action as per paragraph 7 of the minutes
012550 – 014218	Administration Chairman Mr James TO ALA4	<p><u>Clause 26 – Schedule 2 amended (requirements relating to customer due diligence and record-keeping)</u></p> <p>According to the Government, the policy intent of the proposed amended section 9(b) of Schedule 2 to AMLO was to relax the CDD requirement by FIs or DNFBPs to verify information relating to a customer. At Mr TO's request, the Government was requested to consider refining the provision to reflect the policy intent clearly.</p>	The Administration to take action as per paragraph 8 of the minutes
014219 – 014502	Administration Chairman Mr James TO ALA4	<p><u>Clause 27 – Schedule 3A added</u></p> <p><i>Schedule 3A Fees in relation to Part 5A</i></p>	
014503 – 015506	Chairman Administration Mr James TO ALA4	<p><u>Clause 28 – Schedule 4 amended (provisions relating to Anti-Money Laundering and Counter-Terrorist Financing (Financial Institutions) Review Tribunal)</u></p> <p>The amended section 6(11) of Schedule 4 to AMLO set out the meaning of "representative" in relation to the Securities</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>and Futures Commission ("SFC"), the Insurance Authority ("IA"), the Commissioner of Customs and Excise, and the Registrar.</p> <p>Mr TO expressed concern about the extensive scope of representative for SFC and IA (i.e. an employee of SFC or IA). He was also concerned whether the Customs and Excise Department ("CED") and the Companies Registry ("CR") would outsource their regulatory work of the MSO and TCSP licensing regimes.</p> <p>The Government responded as follows:</p> <ul style="list-style-type: none"> <li>(a) the term "representative" in section 6 of Schedule 4 to AMLO referred to a party attending a sitting of the Anti-Money Laundering and Counter-Terrorist Financing Review Tribunal ("the Tribunal"). Such sittings would be relevant to the work of SFC, IA, CED and CR to ensure compliance by the respective regulatees with the AML/CTF requirements under AMLO;</li> <li>(b) SFC and IA had developed internal guidelines for employees in taking enforcement actions relating to AML/CTF requirements under AMLO. It would be unlikely for them to send irrelevant employees to attend the sittings of the Tribunal; and</li> <li>(c) CED and CR would not contract out their enforcement work in relation to AMLO.</li> </ul>	
015507 – 015820	Administration Chairman ALA4 Mr James TO	ALA4 pointed out that the proposed new sections 53S(1), 53T(1) and 53U(1) specified that without the written approval of the Registrar, a person "must not become" an ultimate owner of a licensee, a partner of a licensee that was a partnership, and a director of a licensee that was a corporation respectively. The above provisions did not seem to prohibit a person from acting (or	The Administration to take action as per paragraph 9 of the minutes



Time Marker	Speaker	Subject(s)	Action Required
		<p>purporting to act) as an ultimate owner, partner or director of a licensee without the Registrar's written approval. ALA4 enquired whether the Administration would consider amending the phrase "must not become" to "must not become or act as" making reference to similar provisions in other legislation (including section 8ZZV of the Payment Systems and Stored Value Facilities Ordinance (Cap. 584)).</p> <p>Members also raised concern that the underlying controller or ultimate owner of a licensed TCSP would not be subject to regulation under AMLO if he/she was not the holder of a TCSP licence.</p>	
015821 – 020318	Administration Chairman Mr James TO ALA4	<p><b>Part 3</b></p> <p><b>Amendments to Regulatory Ordinances etc. and Consequential Amendments</b></p> <p><i>Division 1 — Amendments to Regulatory Ordinances</i></p> <p><i>Subdivision 1 — Amendments to Professional Accountants Ordinance (Cap. 50)</i></p> <p><u>Clause 29 – Section 18B amended (Council's power to give directions)</u></p> <p><u>Clause 30 – Section 34 amended (disciplinary provisions)</u></p> <p><u>Clause 31 – Section 35B amended (consent order)</u></p> <p><u>Clause 32 – Section 41A amended (application of disciplinary provisions to firms)</u></p> <p><u>Clause 33 – Section 42C amended (appointment of Investigation Committee)</u></p> <p>Mr TO requested the Government to review whether the phrase "caused or allowed" in the proposed new section 34(1)(a)(xiv)(A) and</p>	The Administration to take action as per paragraph 10 of the

Time Marker	Speaker	Subject(s)	Action Required
		(xv)(A) of the Professional Accountants Ordinance (Cap. 50) was consistent with similar provisions in other legislation seeking to make a director of a corporation liable for an offence committed by the corporation, and consider the need of refining the phrase to maintain consistency with such legislation.	minutes
020319 – 021303	Administration Chairman Mr James TO ALA4	<p><b><i>Subdivision 2 — Amendments to Legal Practitioners Ordinance (Cap. 159)</i></b></p> <p><u>Clause 34 – Section 9A amended (complaint about conduct of solicitor, foreign lawyer, etc.)</u></p> <p><b><i>Subdivision 3 — Amendments to Estate Agents Ordinance (Cap. 511)</i></b></p> <p><u>Clause 35 – Section 2 amended (interpretation)</u></p> <p><u>Clause 36 – Section 27 amended (suspension or revocation of licences)</u></p> <p><u>Clause 37 – Section 28 amended (investigations)</u></p> <p><u>Clause 38 – Section 29 amended (complaints)</u></p> <p><b><i>Division 2 — Amendment to Resolution of the Legislative Council Establishing Companies Registry Trading Fund (Cap. 430 sub. leg. B)</i></b></p> <p><u>Clause 39 – Schedule 1 amended (services to be provided by the trading fund)</u></p> <p>In response to members' enquiries, the Government responded that:</p> <p>(a) fees in relation to the new TCSP licensing regime were set out in the new Schedule 3A to AMLO. The proposed application fee for a TCSP licence (with a validity of three years) was \$3,440;</p> <p>(b) the proposed fees prescribed in Schedule 3A were worked out based on</p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p>cost-recovery principle. There would not be cross-subsidization in fees for various services provided by CR; and</p> <p>(c) the income from pecuniary penalty to be received under the TCSP licensing regime would not be a factor in determining the fees to be payable by TCSPs.</p>	
021304 – 021553	Administration Chairman Mr James TO	<p><b><i>Division 3 — Consequential Amendments</i></b></p> <p><b><i>Subdivision 1 — Amendment to Insurance Ordinance (Cap. 41)</i></b></p> <p><u>Clause 40 – Section 53A amended (secrecy)</u></p> <p><b><i>Subdivision 2 — Amendment to Post Office Ordinance (Cap. 98)</i></b></p> <p><u>Clause 41 – Section 7 amended (exemption from liability)</u></p> <p><b><i>Subdivision 3 — Amendment to Banking Ordinance (Cap. 155)</i></b></p> <p><u>Clause 42 – Section 120 amended (official secrecy)</u></p> <p><b><i>Subdivision 4 — Amendments to Securities and Futures Ordinance (Cap. 571)</i></b></p> <p><u>Clause 43 – Section 130 amended (suitability of premises for keeping records or documents)</u></p> <p><u>Clause 44 – Section 180 amended (supervision of intermediaries and their associated entities)</u></p> <p><u>Clause 45 – Section 378 amended (preservation of secrecy, etc.)</u></p> <p><u>Clause 46 – Section 381B amended (disclosure by Monetary Authority)</u></p> <p><u>Clause 47 – Schedule 1 amended (interpretation and general provisions)</u></p>	

Time Marker	Speaker	Subject(s)	Action Required
		<p><i>Subdivision 5 — Amendments to Payment Systems and Stored Value Facilities Ordinance (Cap. 584)</i></p> <p><u>Clause 48 – Section 50 amended (confidentiality)</u></p> <p><u>Clause 49 – Schedule 3 amended (minimum criteria)</u></p>	
021554 – 022405	Break		
<b>Consideration of amendments proposed by the Administration</b>			
022406 – 023905	Chairman Administration Mr James TO ALA4	<p>Briefing by the Administration on its proposed amendments to the AMLO Bill.</p> <p>In response to the request of ALA4 and Mr TO, the Government undertook to revise its proposed amendments in section 18(3)(c) of Schedule 2 to AMLO so as to cover qualified real estate practitioners in other jurisdictions.</p>	The Administration to take action as per paragraph 11 of the minutes
<b>Agenda item II — Any other business</b>			
023906 – 030019	Chairman Mr James TO Administration Clerk Dr Junius HO	<p>Dr HO asked if the commencement date of the AMLO Bill and the Companies (Amendment) Bill 2017 (i.e. 1 March 2018) could be postponed to allow sufficient time for DNFBPs to prepare for the changes. He considered that the Administration should strike a balance between meeting the timetable of the mutual evaluation by the Financial Action Task Force ("FAFT") and catering for the needs of DNFBPs.</p> <p>The Government responded as follows:</p> <p>(a) the proposed commencement date of the two Bills was set having regard to the timetable of FATF's upcoming mutual evaluation on Hong Kong in 2018, which had been set by FATF and could not be changed at the request of Hong Kong;</p>	

<b>Time Marker</b>	<b>Speaker</b>	<b>Subject(s)</b>	<b>Action Required</b>
		<p>(b) FATF's evaluation would examine the effectiveness of the measures taken by Hong Kong in meeting the various FATF recommendations. There was imminent need to commence the two Bills and put the various measures into implementation in early 2018 so that enough statistics could be accumulated to illustrate the effectiveness of the regime; and</p> <p>(c) the Government would step up capacity-building efforts and continue to liaise with DNFBNs in publicizing the new regime and assist them in complying with the requirements.</p> <p>Legislative timetable and date of next meeting</p>	

Council Business Division 1  
Legislative Council Secretariat  
17 April 2018