

**For discussion  
On 15 November 2016**

**Legislative Council Panel on Financial Affairs**

**Creation of a Non-civil Service Executive Director Position  
in the Financial Services Branch of the  
Financial Services and the Treasury Bureau for  
Leading the Financial Services Development Council Secretariat**

**PURPOSE**

This paper seeks Members' views on the proposal to create a non-civil service position equivalent to the rank of D2, to be designated as Executive Director (Financial Services Development Council) (ED/FSDC), in the Financial Services Branch (FSB) of the Financial Services and the Treasury Bureau (FSTB) for a period of three years to lead the Secretariat of the FSDC.

**JUSTIFICATION**

**The FSDC**

2. The FSDC was established by the Government in January 2013 in response to the call of the financial services industry for a high-level government advisory body to support the sustained development of the industry. The FSDC engages the industry and formulates proposals to promote the further development of Hong Kong's financial services industry and map out the strategic direction for the development of Hong Kong as an international financial centre. The FSDC aims to:

- (i) advise the Government on strategies and measures to expand the scope of our financial markets and enhance the competitiveness of Hong Kong as an international financial centre;
- (ii) provide a channel for stakeholders to express views and champion the interests of the financial services industry;
- (iii) support the financial services industry in developing the core competence and knowledge of its practitioners; and
- (iv) promote our financial services industry and Hong Kong as an international financial centre on the Mainland and overseas.

3. The terms of reference of the FSDC are at Annex A. The FSDC's work is currently underpinned by five committees, namely, the Policy Research Committee, Mainland Opportunities Committee, New Business Committee, Market Development Committee and Human Capital Committee. The committees are tasked to study specific areas in depth, formulate work directions and plans with a view to providing advice and recommendations to the Government.

### **The Work of the FSDC**

4. Since its establishment, the FSDC has been dedicated to engaging the financial services industry and advising the Government on measures to enhance the competitiveness of Hong Kong as an international financial centre. The FSDC has so far published 23 research reports which contained a collection of constructive proposals on the strategic development in different areas of the financial services industry such as asset management, exchange-traded derivatives, offshore RMB business, equity crowdfunding and green finance etc. The Government welcomes FSDC's recommendations and efforts for the betterment of the financial services industry and seeks to implement the recommendations where appropriate.

5. Apart from research work, the FSDC has been actively promoting the financial services industry of Hong Kong through sponsoring and participating in a range of marketing campaigns in collaboration with other stakeholders. It has taken part in local signature events including the Asian Financial Forum, Belt and Road Summit, Boao Forum for Asia Financial Cooperation Conference; roadshows in Mainland and overseas such as "Think Asia, Think Hong Kong", "In Style Hong Kong", "Building for the Future", as well as senior Government officials' visits to overseas countries to help raise the profile of the financial services industry and promote Hong Kong's position as a global financial centre.

6. The FSDC also strives to nurture human capital in the industry. It has been organising the Career Day and Practitioner Speakers Series for university students which serve as a valuable platform for seasoned practitioners from different sectors of industry to share their experience in developing a career in financial services. It has just launched a Career Website to provide university students and members of the public a full picture and comprehensive information of the career options in the financial services industry, their respective roles and responsibilities, the skill sets required and the career paths.

7. The work of the FSDC is highly recognised by both the Government and the industry. At the briefing on the work of the FSDC for the Panel on Financial Affairs in January 2016, Members generally commended FSDC's efforts and contributions in making concrete recommendations to the Government with a view to enhancing the future development of the Hong Kong financial markets and financial services industry.

## **Proposed creation of a non-civil service ED/FSDC Position**

8. The operation of the FSDC is supported by a Secretariat under the purview of FSB of FSTB. At present, the FSDC Secretariat comprises three staff seconded respectively from the Hong Kong Monetary Authority (HKMA), Securities and Futures Commission (SFC) and Hong Kong Trade Development Council (HKTDC); two non-civil service contract staff and three civil service staff deployed from FSB. These staff at non-directorate level are providing secretariat and logistical support to the FSDC for implementation of its initiatives. In addition, a non-civil service Senior Advisor equivalent to D2 level has been engaged for one year from August 2016 to conduct research on strategies and policies for further enhancing Hong Kong's leading financial position. The existing organisation chart of the FSDC Secretariat is at **Annex B**.

9. The daily running of the FSDC Secretariat is overseen by the Under Secretary for Financial Services and the Treasury who is also responsible for other policy portfolios under FSTB. While the FSDC Secretariat has been rendering solid support to the FSDC so far, there is a need to provide dedicated professional support at directorate level in the FSDC Secretariat since we expect that the scope and complexity of the work of the FSDC will increase significantly in the coming few years. In particular, having regard to the challenges faced by the Hong Kong's financial services industry under the fast changing international economic landscape, the FSDC will step up effort to study and consult the industry on consolidation of our traditional competitive edges and capitalising the opportunities brought by the internationalisation of Renminbi, the "Belt and Road" initiative, innovation of financial technology and development of green finance etc.

10. The proposed ED/FSDC will be instrumental in assisting the FSDC Chairman and leading the FSDC Secretariat to support the delivery of the objectives of the FSDC. He/She will work closely with the Chairman and members of the FSDC and its committees to identify ways to reinforce Hong Kong's competitiveness and study possible areas of new business to be developed. In the course, he/she will provide professional support in consolidating members' views and drawing up concrete proposals for the consideration of the Government.

11. The proposed ED/FSDC will also play a key co-ordinating role in the liaison with the Government, regulatory and trade bodies with a view to cultivating and strengthening the FSDC's relationship with these parties and promoting synergy in the development of new insight. At present, the Chairman and members of the FSDC who are working on a part-time and pro bono basis are devoting much of their time in liaison and communication with stakeholders of the industry. To help relieve their workload, a dedicated officer at a senior level is required in the FSDC Secretariat to represent the FSDC to exchange views with industry players, discuss issues of concern with stakeholders, brief the Government on FSDC's recommendations and proposals, and advocate Hong Kong's advantages to overseas and Mainland visitors from the financial services sectors.

12. As far as the staffing of the FSDC Secretariat is concerned, currently, implementation of the FSDC's work programme is mainly carried out by the secondees from the HKMA, SFC and HKTDC with the assistance of other staff members in the Secretariat. However, these secondment arrangements are subject to the staffing position and posting policy of the respective organisations. Upon the creation of the ED/FSDC position, there will be a dedicated professional staff to direct the operation and manage the resources of the FSDC Secretariat with a view to ensuring unfailing support to the work of the FSDC.

13. We propose to pitch the ED/FSDC position at D2 level given that the post-holder is required to possess a high level of analytical and organisational capability, rich experience in the financial services industry, acute policy awareness, as well as strong communication and management skills to discharge his/her duties. We also consider that the possession of sound knowledge and solid experience in a wide spectrum of areas in the financial services industry are crucial to the effective discharge of the duties of the position. Since such professional expertise is not readily available within the civil service, creation of an NCS position to be filled by open recruitment will allow us to trawl the most suitable candidate with the right calibre and experience. We propose to create the position for three years. During this period, we expect that the incumbent will assist the FSDC to formulate strategies and implement action plans in the medium term. A three year-contract will also enable us to attract a wider field of candidates. We will review the long-term need and ranking of the position having regard to the operational need associated with the work programme of the FSDC and the staffing position of the Secretariat in due course.

14. The duty list of the proposed ED/FSDC is at **Annex C**. Subject to the approval of the Finance Committee, we anticipate that the proposed ED/FSDC position can be filled in the third quarter of 2017 after going through the recruitment process.

### **Non-directorate support**

15. ED/FSDC will be supported by the existing non-directorate staff in the FSDC Secretariat, including the three staff seconded from HKMA, SFC and HKTDC, three civil service staff (i.e. one Senior Executive Officer, one Executive Officer I and one Assistant Clerical Officer) and one non-civil service contract staff. The proposed organisation chart of the FSDC Secretariat is at **Annex D**.

### **ALTERNATIVES CONSIDERED**

16. We have critically examined whether the duties of the proposed non-civil service position can be absorbed by other directorate staff in FSB. We have concluded that they are already fully committed to their present policy portfolios and could not be further stretched to provide the dedicated support

required to deliver the objectives of the FSDC. In addition, taking into account the strong finance background and professional expertise required of the position, creation of a non-civil service position to be filled by open recruitment is the only feasible option.

## **FINANCIAL IMPLICATIONS**

17. The total remuneration package for the proposed non-civil service position will not exceed the full annual average staff cost of \$2,916,000, including salaries and staff on-cost, for a civil service post ranked at D2 level. We will include sufficient provision in the draft Estimates of 2017-18 and subsequent years to meet the cost of this proposal.

## **ADVICE SOUGHT**

18. Members are invited to comment on the proposal. Subject to Members' views, we will submit the proposal to the Establishment Subcommittee for endorsement and Finance Committee for approval.

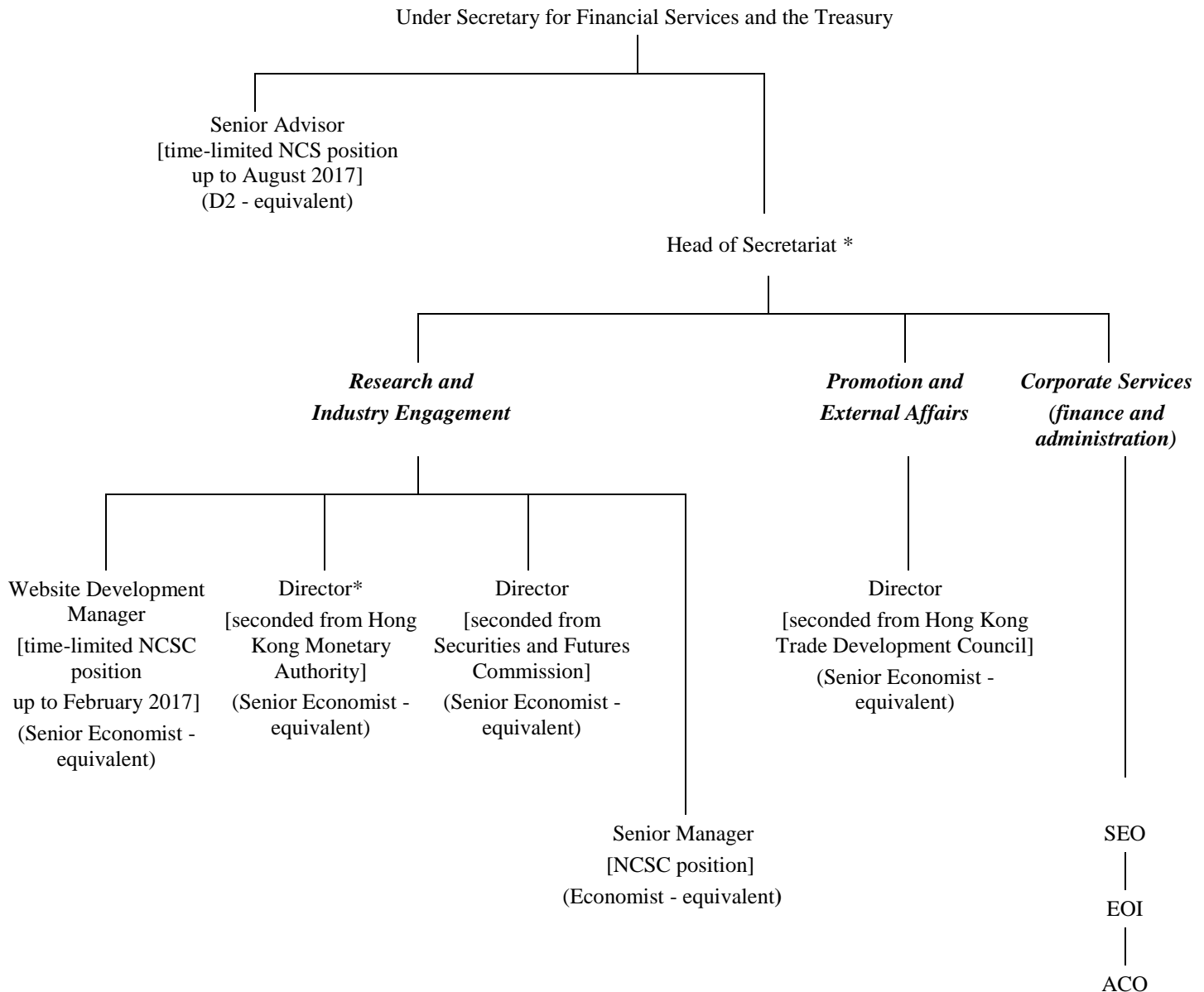
**Financial Services Branch  
Financial Services and the Treasury Bureau  
November 2016**

**Terms of Reference of Financial Services Development Council**

1. To conduct policy research and industry surveys for the formulation of proposals to the Government and regulators;
2. To work with regulatory and trade bodies to identify new opportunities for, and any constraints on, the sustainable growth and diversity of the financial services industry;
3. To maintain a dialogue with the relevant bodies on the Mainland and overseas to support Hong Kong's financial services industry in accessing new markets and growth areas;
4. To facilitate the upgrading of skills and expertise through collaboration with education and training institutions, trade bodies and practitioners; and
5. To promote, on the Mainland and overseas, our financial services industry and Hong Kong as an international financial centre through seminars, road shows, publications, and through active participation in international events.

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**Existing Organisation Chart of the  
Financial Services Development Council Secretariat**



**Legend**

- ACO – Assistant Clerical Officer
- EOI – Executive Officer I
- NCS – Non civil-service
- NCSC – Non civil-service contract
- SEO – Senior Executive Officer

\* The secondees from Hong Kong Monetary Authority also assume the role of Head of Secretariat.

**Job Description**  
**Executive Director (Financial Services Development Council)**

**Rank** : Non-civil service position equivalent to the rank of D2

**Responsible to** : Under Secretary for Financial Services and the Treasury

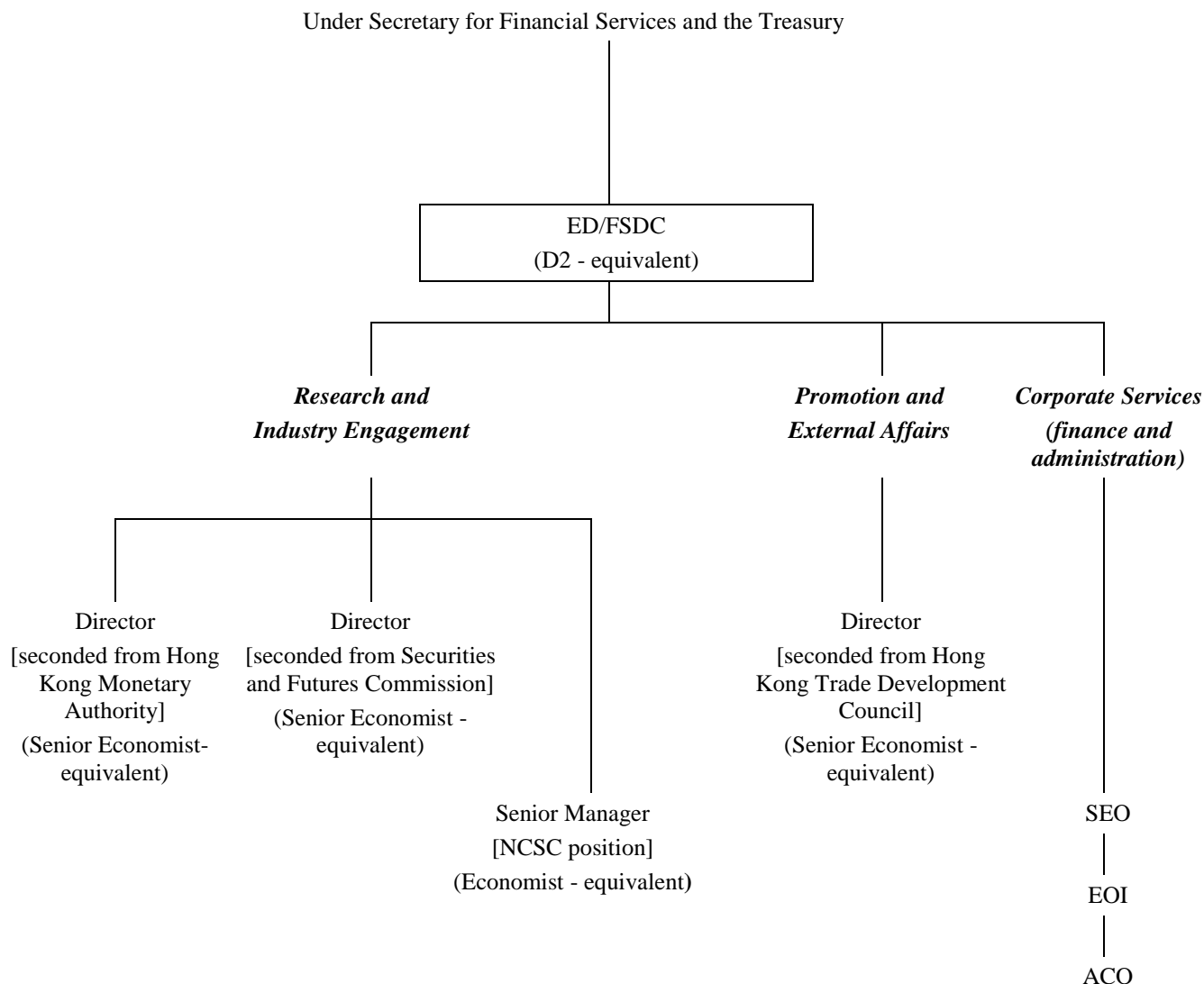
**Main Duties and Responsibilities –**

1. To formulate strategies and action plans, in consultation with the FSDC Chairman and members, for the FSDC to foster the further growth and development of the financial services industry in Hong Kong;
2. To cultivate and strengthen the FSDC's relationship with the Government and regulatory and industry bodies, and promote synergy in the development of new insight, financial innovation and diversification;
3. To direct the operation of the FSDC Secretariat to support the FSDC's work programme, including policy research, market development, market promotion and human capital development; and
4. To be responsible for the budgeting/finances of the Secretariat and also administrative and staff management, with a goal of continuously improving the capabilities, systems and technologies as required to support the work of the FSDC.

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**Proposed Organisation Chart of the  
Financial Services Development Council Secretariat**



**Legend**

- Proposed non-civil service Executive Director (Financial Services Development Council) position
- ACO – Assistant Clerical Officer
- EOI – Executive Officer I
- NCSC – Non civil-service contract
- SEO – Senior Executive Officer

Note: The existing time-limited non civil-service Senior Advisor position and non civil-service contract staff position of the Website Development Manager of the FSDC Secretariat will have lapsed before the proposed ED/FSDC position is created.